

CHAPTER 2

Performance Audit on the Implementation of the Pradhan Mantri Awaas Yojana-Gramin

Executive Summary

With the objective of 'Housing for all' by 2022, the Government of India (GoI) restructured the erstwhile housing scheme, Indira Awaas Yojana (IAY), into the Pradhan Mantri Awaas Yojana-Gramin (PMAY-G), with effect from 1st April 2016. The main aim of PMAY-G is to provide a pucca house, with basic amenities, to all houseless households (HHs) and those HHs living in kutcha/dilapidated houses, by 2022.

Housing being a basic necessity and also being one of the Sustainable Development Goals, effective implementation of the scheme is crucial in ensuring healthy lives and promoting wellbeing of the rural poor. Hence, to provide assurance on achievement of the goals of the scheme, a Performance Audit (PA) on PMAY-G was conducted, covering a period of five years, from 2016-17 to 2020-21, in eight Districts; three Panchayat Samitis (PSs) within each selected District; and three Gram Panchayats (GPs) from each selected Panchayat Samiti.

The objectives of the PA were to assess the adequacy and transparency in the mechanism for identification and selection of beneficiaries, timely construction of houses to achieve the intended outcomes, efficacy of convergence for providing basic amenities to the beneficiaries, financial management of scheme funds and the effectiveness of the monitoring and evaluation mechanism.

The Performance Audit highlights that, under PMAY-G, the State Government was to carry out identification and prioritization of the beneficiaries, on the basis of the housing deprivation parameters in the Socio Economic and Caste Census (SECC)-2011 data. Further, finalization of the Permanent Wait List (PWL) was to be done in the Gram Sabha, by including eligible beneficiaries and deleting ineligible beneficiaries. Audit, however, noted that 8.59 lakh eligible beneficiaries, identified by the Gram Sabhas, were excluded from the PWL, depriving them of benefits under the scheme. The PWL could not be finalized till March 2021 and the State had to surrender the target of 5.27 lakh allotted houses, due to non-availability of Households in different categories, in the PWL.

As the State could not identify eligible beneficiaries, within the prescribed timeline fixed by MoRD, 12.25 lakh beneficiaries could not be included in the PWL and were deprived of benefits under the Scheme.

In the absence of a final PWL, none of the 24 test-checked Blocks had prepared the Annual Select Lists and a pick and choose method had been followed for sanction of houses to the beneficiaries. Hence, there were instances of sanction of houses to beneficiaries who had lower priority in the PWL, without following the auto generated priority number in the SECC, repetition of priority numbers

and sanction of houses to ineligible beneficiaries having pucca houses, two/three wheelers, Kisan Credit Cards with credit limit more than ₹50,000 etc.

To accelerate the completion of houses, mason training was to be conducted and the trainees were to be tagged to individual beneficiaries, for construction of houses. There were doubtful payments to trainee masons, as payments were made either before construction of houses, or after completion of mason related works in the houses, and also double payments were made to the same masons, in two different works, on the same days.

In convergence with MGNREGS, there was a support provision of 90-95 person-days of unskilled wages, to a beneficiary, for construction of houses. However, on an average, 78.63 person-days were provided to the beneficiaries. Further, there were instances of doubtful payment of wages, as they were paid either before construction of the houses, or after completion of the houses.

The PMAY-G scheme stipulates sanction of houses to landless beneficiaries, by provision of homestead land, by the State Government. However, out of 57,932 landless beneficiaries (as on March 2021), 40,608 (70 per cent) beneficiaries could not be provided houses, as no homestead lands were made available to them, for construction of PMAY-G houses. Further, there were instances of fraudulent issue of work orders to non-beneficiaries, using the registered IDs of the beneficiaries.

For any administrative related expenditure, expenditure from the State Nodal Account (SNA) was to be made only through Fund Transfer Orders (FTOs), using the AwaasSoft and PFMS platforms. However, ₹18.10 crore from the SNA was irregularly transferred to another bank account, for administrative expenditure.

Though the first instalment of assistance was to be released within one week of sanction of houses, in 41,146 cases, beneficiaries were released first instalments, with delays ranging from seven to 1,576 days, in the State.

In the absence of convergence with other schemes, beneficiaries were deprived of basic amenities like drinking water, toilet, electricity etc.

The official logo of PMAY-G was to be affixed in all the completed PMAY-G houses. However, the logo of the State housing scheme was affixed in a number of PMAY- G houses.

To ensure achievement of public accountability, Social Audit is to be conducted in every GP, at least once in a year. However, no Social Audit was conducted in any of the test-checked GPs.

Audit found that, in seven out of the eight test-checked districts and 23 out of the 24 test-checked blocks, no records had been maintained, to watch the receipt and disposal of complaints/ grievances. At the district and block levels, the actual disposal of complaints was not ensured and disposal of the complaints was not intimated to the complainants.

To overcome the above discussed issues and deficiencies in the implementation of the scheme, it is recommended that—

1. The State Government may finalize the PWL, with inclusion of all eligible beneficiaries.

2. *The Annual Select Lists may be prepared, to sanction houses as per the auto generated PWL, to maintain transparency.*
3. *The landless beneficiaries may be allotted land for construction of houses and PwD beneficiaries may be given priority in allotment of houses in co-ordination with the respective Departments.*
4. *Houses may be sanctioned within the prescribed time limit.*
5. *Detailed investigation, in regard to doubtful payments on mason training, irregular payment of MGNREGS wages, sanction of houses in the name of other beneficiaries etc., may be conducted and appropriate action may be initiated.*
6. *Convergence with the flagship schemes may be adopted, to provide basic amenities to the beneficiaries.*
7. *Wage compensation, out of MGNREGS, may be given on the basis of actual progress of work.*
8. *Instalments may be released in a timely manner, for smooth completion of the houses.*
9. *All payments, including administrative expenditure, may be made through FTOs, using the AwaasSoft and PFMS platforms.*
10. *Expenditure from administrative funds may be incurred only for admissible items.*
11. *Administrative funds, available at the district and block levels, may be refunded to the SNA.*
12. *State Government may ensure timely and regular conduct of the mandated inspections, at different levels, and conduct social audit at the GPs level, to improve scheme implementation and address shortcomings in the implementation of the scheme.*
13. *All grievances may be attended to, with intimation to the complainants.*

2.1.1 Introduction

Public housing programmes are crucial instruments of poverty alleviation. Rural housing programmes, which constitute an important component of the public housing programmes in the country, were first taken up in the form of an independent programme with the Indira Awaas Yojana (IAY) in January 1996, with the aim of addressing housing needs in the rural areas of the country. Certain gaps were identified in the implementation of the IAY, during concurrent evaluation and in Report No. 37 of 2014, of the Comptroller and Auditor General of India on the performance audit of the Indira Awaas Yojana.

To address these gaps, and in the context of Government's objective of providing "Housing for All" by 2022, the Government of India (GoI) restructured the scheme IAY in to Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) with effect from 1st April 2016. The main aim of the PMAY-G is to provide a pucca house, with basic amenities, to all houseless HHs and those HHs living in kutcha/ dilapidated houses, by 2022.

The key features of the PMAY-G are:

- The minimum unit (house) size has to be 25 square meters, including a dedicated area for hygienic cooking.
- Unit assistance of ₹1.20 lakh in plain areas and ₹1.30 lakh in hilly states, difficult areas and Integrated Action Plan (IAP)³ districts, is to be provided, in four⁴ instalments, linked to the progress of construction of a pucca house. The cost of the unit (house) assistance is to be shared between the Central and the State Governments, in the ratio of 60:40.
- Provision of assistance of ₹12,000, for the construction of a toilet, is to be made through convergence with the Swachh Bharat Mission Gramin (SBM-G), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), or any other dedicated financing source.
- Provision of unskilled labour wages, for 90 person-days in plain areas and 95 person-days in the IAP districts, under the MGNREGS, has to be made, for construction of the house.
- All payments to the beneficiaries are to be made electronically to their Bank/Post Office accounts, through digitally signed Fund Transfer Orders (FTOs).
- There has to be convergence with other government schemes for provision of amenities such as drinking water supply, electricity connection, LPG connection etc.
- If the beneficiary so chooses, he/she is to be facilitated in availing loan of up to ₹70,000 from Financial Institutions.

One of the important features of the PMAY-G is the selection of beneficiaries. To ensure that assistance is targeted at those who are genuinely deprived and that the selection is objective and verifiable, selection of beneficiaries under PMAY-G does not prescribe selection of beneficiaries from among the BPL HHs and, instead, prescribes selection of beneficiaries using the housing deprivation parameters in the Socio Economic and Caste Census (SECC), 2011 data, which is to be verified by the Gram Sabha. The Permanent Wait List (PWL), generated on the basis of the SECC data, is intended to ensure that States have a ready list of HHs to be covered under the scheme in the coming years (through Annual Select Lists), leading to clarity for all stakeholders and better planning for implementation. To address the grievances in beneficiary selection, an appellate process has also been put in place.

Under the PMAY-G, programme implementation and monitoring is to be carried out by means of the “AwaasSoft”, a web-based transactional electronic service delivery platform, through which all critical functions of the PMAY-G, starting from identification of the beneficiaries, to providing construction linked assistance, are to be carried out. “AwaasApp” is intended to be used for monitoring the real time, evidence-based progress of the house. All payments to beneficiaries are to be made by means of Direct Benefit of Transfer (DBT), to the beneficiaries’ bank accounts, registered in the AwaasSoft MIS.

³ IAP is a scheme implemented in Left Wing Extremist (LWE) affected districts, to gear up the process of infrastructural development in these areas and, thereby, create a base for sustainable income, for the affected people of these Districts.

⁴ In Odisha, assistance is provided in four instalments.

The Panchayati Raj & Drinking Water (PR&DW) Department, Government of Odisha (GoO), is the nodal Department for implementation of the Scheme in the State.

2.1.2 Audit Objectives

The objectives of the Performance Audit were to ascertain whether the:

- i) Mechanism for identification and selection of beneficiaries, under the Scheme, was transparent and adequate;
- ii) Implementation of the Scheme, including construction of houses, was carried out in a timely manner and achieved the intended outcomes;
- iii) Benefits, in convergence with the other Schemes of Government, were provided to the beneficiaries in terms of the PMAY-G guidelines;
- iv) Financial management i.e. fund release, accounting, direct transfer and utilization by the State Government was in compliance with the Scheme guidelines and other financial rules as applicable; and
- v) Mechanism for monitoring and evaluation of the scheme was adequate and effective.

2.1.3 Audit Criteria

The audit criteria for the Performance Audit (PA) were derived from the following documents:

1. Framework for Implementation (FFI) for the PMAY(G), issued by the Ministry of Rural Development (MoRD), Govt. of India (GoI) (November 2016);
2. Notifications, Circulars and Orders, issued by the GoI and Government of Odisha (GoO), from time to time;
3. Physical and financial progress, reported under the Management Information System (AwaasSoft), available on the website of the Scheme;
4. SECC-2011;
5. Odisha General Financial Rules (OGFR);
6. Compendium of Rural Housing Typologies, issued by the MoRD, GoI.

2.1.4 Audit coverage and methodology

The PA on “Implementation of Pradhan Mantri Awaas Yojana-Gramin”, covering a period of five years, from FY 2016-17 to FY 2020-21, was conducted from July 2021 to January 2022. The scheme is being implemented in all the 30 districts of the State. For this PA, a sample, comprising of eight⁵ districts, was selected on the basis of Simple Random Sampling. Three Panchayat Samitis (PSs), within each selected District were selected on the basis of Stratified Random Sampling, with the physical and financial performance of the PSs having been considered for stratification. Three Gram Panchayats (GPs) were selected from each selected Panchayat Samiti, on the basis of Random

⁵ Bargarh, Bolangir, Dhenkanal, Ganjam, Mayurbhanj, Nabarangapur, Puri and Sonepur

Sampling. A minimum of 20 case records were examined in each of the selected GPs.

In addition, in each selected GP, surveys were conducted to cover 12 beneficiaries and three non-beneficiaries, to obtain feedback on the implementation of the Scheme. In case of the 12 beneficiaries covered in each GP, a Joint Physical Verification, of the houses constructed by these beneficiaries, was also conducted, along with the concerned PS/GP officials.

The database of SECC 2011 was examined, along with the data from AwaasSoft, in order to derive assurance that: (i) selection of the eligible beneficiaries had been carried out in compliance with the scheme guidelines and (ii) the progress in implementation, reported on AwaasSoft, accurately reflected the physical and financial progress of the scheme in the field.

An Entry Conference⁶ was held on 17 April 2018. The draft Report was issued to Department on 30 June 2022 and the replies were received on 28 October 2022. The Exit Conference was held on 09 December 2022.

Audit Findings

2.1.5 Identification of beneficiaries

Due to deficiency in identification of beneficiaries, there was irregular exclusion of eligible beneficiaries, non-inclusion of eligible beneficiaries, surrender of allotted target to MoRD. Further, due to non-finalisation of PWL, pick and choose method was used to sanction houses without following the priority list and houses were sanctioned to ineligible beneficiaries.

2.1.5.1 Exclusion of beneficiaries deemed eligible by the Gram Sabhas from the PWL

Paragraph 4 of the FFI of the PMAY-G stipulates that identification and prioritization of the beneficiaries is to be done on the basis of the housing deprivation parameters in the SECC-2011 data. Further, priority is to be assigned across four categories- SC, ST, Minorities and Others.

To begin with, HHs are to be prioritized based on 'houselessness', followed by the number of existing rooms i.e. zero, one and two rooms, in that order. Once the category-wise priority lists are generated from SECC data and suitably publicized, a Gram Sabha is to be convened. The Gram Sabha is required to verify the facts based on which the HH has been identified as eligible. Complaints regarding wrongful deletion/changed ranking are to be examined by an Appellate Committee⁷, constituted by the State Government. Thereafter, the GP wise final PWL for each category, is to be published and made available in the notice board of the GP, as well as on the website of the PMAY-G and AwaasSoft.

As per the information furnished by the PR&DW Department based on AwaasSoft data, as on April 2016, a total of 41.72 lakh beneficiaries were included in the system generated list for the State, based on the SECC-2011

⁶ As this PA is a continuance of a deferred PA on IAY/PMAY-G for the period 2013-18 taken up during the year 2018, no separate entry conference was held.

⁷ District Magistrate/ Collector or his nominee, another official and at least one non-official member

data. The Gram Sabhas had identified (up to March 2021) 27.45 lakh eligible beneficiaries for the PMAY-G and proposed 14.27 lakh beneficiaries for deletion due to their ineligibility as per the exclusion parameters prescribed at Annexure- I to the FFI of PMAY-G like HHs living in houses with pucca roof, houses with pucca walls, houses with more than two rooms, HHs having motorized vehicles, fishing boats, mechanized three/four wheeler agricultural equipment, refrigerator, landline phone, Kisan credit card with credit limit of ₹50,000 or more, HHs having one member as government employee, paying income tax, professional tax, having a definite quantity of agricultural land, having family income more than ₹10,000 per month etc.

Although the Gram Sabhas had identified 27.45 lakh eligible beneficiaries, the PWL for the State had only 18.86⁸ lakh beneficiaries, as on 31 March 2021, resulting in the exclusion of 8.59 lakh beneficiaries who had been deemed eligible by the Gram Sabhas (**details represented in Appendix-2.1**). In addition, Audit noticed that category-wise (SC, ST, Minorities, Others) priority lists of the GPs had not been finalized, as of 31 March 2021.

The PR&DW Department stated (October 2022) that the HHs found ineligible during field verification were removed from PWL only with the approval of Gram Sabhas. The reply is not acceptable, since Audit could not find any evidence of approval for inclusion or deletion of the beneficiaries in the Gram Sabhas of the test-checked GPs and in the Appellate Committees of the test-checked districts.

2.1.5.2 Erroneous deletion from PWL

Para 4.4.1 of the FFI stipulates ‘verification of Priority Lists by the Gram Sabha’ and provides that, once the category-wise system generated priority lists are made available and suitably publicized, the Gram Sabha is to verify the facts based upon which the HHs have been identified as being eligible for coverage under the scheme. If the inclusion has been done based on wrong facts or if the HH has constructed a pucca house or has been allotted a house under any government scheme or has permanently migrated since the time of survey or has died leaving no successor, the Gram Sabha is required to delete the name of such HH from the system generated priority list. The list of the HHs so deleted, including reasons for their deletion, is to form part of the minutes of the Gram Sabha. The lists of proposed additions/deletions are, thereafter, to be forwarded to the concerned BDO, along with the relevant resolutions of the Gram Sabhas, for onward transmission to the Appellate Committee, at the District level, for disposal and timely decision on the inclusion of eligible HHs into the PWL, after receiving the approval of the State Government.

In addition to the exclusion of eligible beneficiaries mentioned in the **Paragraph 2.1.5.1**, Audit also noticed that 10,852 beneficiaries, including 2,886⁹ SC/ST beneficiaries, had been erroneously deleted from the PWL of the PMAY-G, by the field functionaries, due to the reason that multiple beneficiaries existed with the same name in the concerned GPs, and, while deleting the ineligible beneficiaries, the namesake eligible beneficiaries had also been deleted inadvertently, prior to August 2021.

⁸ Excluding erroneous deletion of 10,852 as discussed in para 2.1.5.2

⁹ Out of 8.49 lakh SC/ST beneficiaries

The PR&DW Department requested (August 2021) MoRD to include these beneficiaries in the PWL.

Government stated (October 2022) that there had been such erroneous deletion of names of beneficiaries from the PWL and MoRD had been requested to restore the inadvertent deletion from PWL.

2.1.5.3 *Non-inclusion of eligible HHs (not included in the SECC database and/ or not included in the system generated list) in the PWL*

Para 4.4.4 of the FFI stipulates that the Gram Sabha may also record a separate list in the Gram Sabha resolution, with reasons, about the House Holds (HHs) not included in the system generated priority list, but otherwise found eligible. The list is required to include HHs which had not been enumerated during the SECC survey, or the HHs which, though enumerated in the SECC, had not been included in the system generated priority list, but were found eligible for receiving assistance under the PMAY (G), by the Gram Sabha, in terms of Para 4.1 of the FFI. The lists prepared by the Gram Sabhas, in terms of the resolutions, are to be forwarded to the concerned Block Development Officers (BDOs), for further action. This is required to be done before the PWL is published, so that such beneficiaries can be included in the PWL.

Accordingly, the Gram Sabhas identified 12.25 lakh eligible HHs, to be included in the PWL. Audit, however, noted that no eligible HHs were added to the PWL, during the period from FY 2016-17 to FY 2020-21, in addition to the beneficiaries who had been included in the system generated priority list, using the SECC 2011 data.

The process of identifying eligible beneficiaries, who had not been included in the SECC database, or had been included in the SECC database but had not been included in the system generated list, was to be completed by 7 March 2019, which was the deadline fixed by the MoRD, GoI. In this regard, the PR&DW Department requested (June 2019) the MoRD for extension of time up to 31 July 2019, but this request was not acceded to by the MoRD, with the remarks that the deadline for inclusion of such additional beneficiaries, in the PWL, had initially been fixed as 31 March 2018 and had subsequently been extended four times, to 30 June 2018, 30 September 2018, 30 November 2018 and 7 March 2019.

Thus, due to delay in identification, an estimated 12.25 lakh additional HHs could not be included in the PWL and were deprived of the benefits available under the Scheme.

The PR&DW Department stated (October 2022) that verification of all the applications had been completed and MoRD had been requested to include the HHs in the PWL.

2.1.5.4 *Surrender of targeted houses*

Every year, the Empowered Committee of the MoRD, in consultation with the State Government, fixes the target for construction of houses for the next year. MoRD had allotted a cumulative target of 24.23 lakh houses, up to March 2021.

Audit noticed that, as houses were to be allotted to only those beneficiaries who are in the PWL, in the absence of eligible beneficiaries in PWL, during 2019-20 and 2020-21, the State Government requested (May 2021) to surrender the

allotted target of 5.27 lakh houses, on the ground of non-availability of HHs in different categories in the PWL.

During Joint Physical Inspections (September 2021 to January 2022) in 72 test-checked GPs, Audit found that, 203 families were living in kutchha houses, indicating that, due to non-completion of identification in time, additional beneficiaries remained excluded from the PWL. Photo of one such kutchha house is attached in this Report.

Photographs-2.1 and 2.2: Sample photo of people living in kutchha house



Photo of polythene covered house of T Bangali, daughter of J Dandasi of Ainthaban Haripurburudi village of Sanaramachandrapur GP of Ganjam Block, not covered under PMAY-G, as her name not found in the PWL.

The PR&DW Department stated (October 2022) that, as a large number of applications were received for inclusion, verification could not be completed within the time fixed by the MoRD and targets were surrendered. The reply is not satisfactory, since the MoRD had extended the time period for completion of the process of identification of additional eligible beneficiaries, from 31 March 2018 to 7 March 2019.

2.1.5.5 Non-preparation of Annual Select Lists by Blocks

Paragraphs 4.7.1 and 4.7.2 of the FFI stipulate that, once the targets are communicated by the Ministry, the State is required to distribute category-wise targets to respective districts and also enter the same on AwaasSoft. The Annual Select Lists are required to begin with the top HHs in the approved Permanent Wait List and are to be restricted to the targets assigned to the GPs, for each category, for that year. Further, the Annual Select Lists are to be widely disseminated, in the print and electronic media, as well as through wall paintings in the village.

Audit observed that none of the 24 test-checked Blocks in the State had been able to prepare year-wise Annual Select Lists, during FYs 2016-17 to 2020-21. This was attributed to the fact that the PWL had not been finalized as of 31 March 2021 and the deletion of ineligible beneficiaries was still continuing.

In the absence of Annual Select Lists, Audit could not ascertain whether individual sanctions had been issued as per the identified priorities. Also, since availability of the Annual Select Lists was intended to promote awareness among the beneficiaries and stakeholders about their annual ranking, non-preparation of the Annual Select Lists led to lack of transparency and accountability in this regard.

The PR&DW Department stated (October 2022) that it would follow the audit observation, for preparation of Annual Select Lists, in future.

2.1.5.6 Non-adherence to priority numbers in sanction of houses under PMAY-G

Paragraphs 4.2.1, 4.2.2, 4.2.3, 4.3 and 4.4.3 of the FFI stipulate carrying out of multilayered prioritization within the universe of eligible PMAY-G beneficiaries, as follows: (i) Priority is first to be assigned on the basis of parameters reflecting housing deprivation in each category, viz. SC, ST, Minorities and Others, such that HHs with higher deprivation scores were ranked higher within the sub-groups (ii) Separate priority lists, satisfying the principles of prioritization, are to be generated for SC, ST, Minorities and Others, for each GP (iii) system generated category-wise ranked priority lists are to be circulated to the concerned GPs, for verification by the concerned Gram Sabhas (iv) the ranking is to be complete, with each HH having been assigned a distinct rank.

Audit, however, noted that none of the test-checked Gram Sabhas of GPs had discussed the auto generated priority lists and, thus, no multilayered priority lists had been prepared by any of the test-checked GPs.

Though the Project Director (PD), District Rural Development Agencies (DRDAs)/BDOs stated that the priority numbers, as mentioned in the auto generated list from SECC 2011 had been followed while sanctioning houses. However, the following irregularities, relating to non-adherence to priority numbers during sanctioning of houses under the scheme, were noticed.

(i) Violation of priority numbers at the time of sanction of houses

Audit reviewed the year-wise 'Work progress Report for the PMAY-G' in the test-checked GPs and cross-verified it with the E4 Report¹⁰ of AwaasSoft for the FYs 2016-17 to 2020-21, to derive assurance that priority numbers had been adhered to, at the time of according sanction.

Audit noticed that, in all the 24 test-checked blocks, sanctions of houses had not been issued in terms of the assigned priority numbers. There were instances of sanctions having been accorded, in earlier financial years to beneficiaries who had lower priority in the PWL despite the fact that the beneficiaries with higher priority in the PWL had not been accorded sanctions in those FYs as detailed in *Appendix-2.2*.

(ii) Same priority numbers being assigned to different beneficiaries, in the same categories of the same village

Audit noticed that, in two¹¹ out of 24 test-checked blocks, there were instances of repetition of priority numbers, with the same priority numbers being assigned to different beneficiaries within the same category. In one such case, Audit noticed that, in the Bajargad village of Kosagumuda GP in Kosagumuda PS, in the ST Category, a beneficiary with priority number four, had been sanctioned a house in FY 2017-18, while another beneficiary, with the same priority number, had been sanctioned a house during FY 2019-20. Similarly, priority number 43 had been assigned to three different beneficiaries, who had been sanctioned houses in FY 2017-18.

¹⁰ E4 Report of AwaasSoft indicates the SECC Data Summary of Total HHs, Rejected, Priority Setting Done and Appellate Committee Approved figures, of each unit

¹¹ Kosagumuda block of Nabarangapur District and Bhuban block of Dhenkanal district

Arbitrary assignment of priority numbers by GP functionaries was contrary to the principle of fairness and transparency in the identification and selection of beneficiaries, as envisaged in the scheme guidelines. It was also indicative of deficiencies in the internal control mechanism of the scheme, due to which the possibility of manipulation in assignment of priority numbers cannot be ruled out.

The PR&DW Department stated (October 2022) that the deviation in the Kosagumuda block would be investigated. Further, in other cases, it stated that HHs below the priority were allotted house, in case a beneficiary could not be sanctioned house, due to landlessness or pending finalization of any enquiry on allegation of ineligibility. The reply is not acceptable, as the priority lists were violated, even to the extent of 86 *per cent*, during sanction of houses.

2.1.5.7 Fraudulent issue of work orders and release of payment to non-beneficiaries

Paragraph 5.3.1 of the FFI of the PMAY-G provides that the Annual Select Lists, drawn from the PWL of the beneficiaries, as per targets allocated, are to be registered on the MIS-AwaasSoft. During the registration process, details of the bank accounts, names of the nominees and MGNREGS Job Card Numbers, have to be mandatorily entered. In addition, the mobile numbers, wherever available, as well as the Aadhaar numbers, may also be seeded on AwaasSoft. Para 5.3.2 further provides that, after registration of the beneficiary details and validation of the bank account details of the beneficiaries, sanction orders are to be individually generated in AwaasSoft for each beneficiary, with a distinct PMAY-G ID and Quick Response (QR) code. Allotment of houses is to be made jointly in the name of the husband and wife and the State can also choose to allot the house solely in the name of the woman. The issue of sanctions, in favour of the concerned beneficiaries, is also to be communicated through SMS.

Test-check of the block level case records available and data in AwaasSoft, revealed that, in 13 cases¹² (**details in Appendix-2.3**), the houses were sanctioned and payments were made during 2016-21 to non-beneficiaries. In these cases only the PMAY-G IDs of registered beneficiaries was correct but all other documents, like bank accounts, voter ID cards, adhaar cards etc., were of non-beneficiaries. These instances of fraudulent sanction of houses casts doubt on the physical verification process conducted by the officials. Thus, the actual beneficiaries were deprived of getting the houses, as their IDs were used for extending undue benefits to non-beneficiaries.

In this regard, Audit found that, in Khadiasul Village, Asana GP (Bisoi Block in Mayurbhanj District), a house had been constructed by Smt. Punam Naik, wife of Shri Chandra Mohan Naik, up to the lintel level, as shown in the photograph below, with expenditure of ₹one lakh, from PMAY-G funds, by using the beneficiary ID No. OR2334406 of Dugi Birua, daughter of Gara Nayak, of the same village. Thus, Dugi Birua was deprived of getting the benefit. The BDOs stated (January 2022) that the matter would be investigated.

¹² Bisoi Block (Asana GP): 11 cases, Chandahandi Block (Patkhalia GP): 1 case and Padampur Block (Dahita GP): 1 case

Photograph-2.3: PMAY-G house allotted to non-beneficiary, Smt. Punam Naik, by using the beneficiary ID No. OR2334406 of Dugi Birua



The PR&DW Department stated (October 2022) that the facts will be verified and compliance will be submitted thereafter.

2.1.5.8 Non-preparation of Comprehensive Annual Action Plans of Districts

Paragraphs 3.6.1 and 3.6.2 of the FFI stipulate that: (i) the State should prepare a Comprehensive Annual Action Plan (AAP) for implementation of the PMAY-G (ii) the plan should, *inter alia*, include the roadmap for timebound completion of the houses sanctioned and ensure convergence with other schemes (iii) the AAP for the State should contain the district-wise plan, highlighting the strategy to be adopted for saturating the priority HHs (iv) the district-wise plan should also, *inter alia*, highlight the mason training program, sources for construction material, facilitation of loans to the beneficiaries, development and dissemination of plans for house typologies, beneficiary sensitization workshops and all the amenities that will flow to the beneficiaries, through convergence with different schemes.

Paragraph 7.4 of FFI also stipulates that 'in order to ensure implementation of PMAY-G as per the AAP, the State should constitute committees both at State and District Level for directions and oversight. The State Level Committee (SLC) shall be chaired by the Chief Secretary. The said Committee shall meet at least twice a year'.

Prior to FY 2019-20, no AAP for the State was prepared. However, a power point presentation, prepared by the State, was discussed (February to March) in the Empowered Committee¹³ (EC) of the MoRD and targets were sanctioned for the following year. MoRD issued (February 2020) a format for submission of data from FY 2020-21 onwards, which was finalized at the meeting of the EC.

Audit noted that:

- No comprehensive AAP, containing district-wise plan of the State, had been prepared during FYs 2016-17 to 2020-21.
- No inputs, in regard to various activities, *viz.* conduct of mason training, convergence of other schemes etc., for preparation of the AAP for the State, was collected from the districts.
- The activities approved in the EC of the MoRD were also not adhered to, as detailed in the **Table 2.1**.

¹³ Chaired by Secretary, MoRD, to approve the AAPs of the States/UTs

Table-2.1: Activities approved in the Empowered Committee

Activities stipulated in the AAPs of all the years	Achievements
Mason training	Negligible achievement was made even after five years, leading to increasing numbers of incomplete houses.
Allotment of land to landless beneficiaries	Though the issue was discussed in each AAP, there was negligible achievement, even after five years.
Development of House typologies	In AAP 2018-19, 13 House typologies were developed. In AAP 2019-20, 11 House typologies were developed. However, adoption status of these typologies were not available at the Department level.
Convergence with other schemes	Though targeted every year, it was not achieved, even after five years.

- Further, as per paragraph 7.4 of FFI, the State Level Committee (SLC) should meet at least twice in a year. However, only one meeting of SLC was held (25 June 2018), against the required 10, during the FYs 2016-17 to 2020-21. Accordingly, the objective of achieving direction and oversight, for implementation of the scheme, in terms of the AAPs, that would have been available through the SLC Meetings, remained unachieved.

The PR&DW Department stated (October 2022) that it prepared AAP after obtaining feedback from districts. The reply is not satisfactory as in the absence of district wise plans, as prescribed under the FFI of PMAY-G, the issues to be considered at the district level, remained unaddressed at the planning stage itself.

2.1.5.9 Non-adoption of House Design Typologies by the beneficiaries

Paragraphs 6.2.2.1 and 6.2.2.3 of FFI, prescribes that the State should provide the beneficiaries a bouquet of options of house designs, according to local conditions, using appropriate technology, suitable to the region of their residence. The core house design should also include a space for hygienic cooking, a toilet and bathing area. Moreover, along with the sanction order, the beneficiary should be provided the menu of options of the identified house designs and technologies.

Further, as per paragraph 7.2.1 of FFI, the State may identify technical institutions to provide technical support to beneficiaries in construction of their houses. The institution may sensitize the beneficiaries about the housing designs and construction technologies available for that area, which can be adopted by the beneficiaries for construction of their houses.

In addition, paragraph 9.3.1.2 of FFI stipulates that, before release of each instalment, the physical progress of stage-wise construction on ground is to be verified and monitored by the Panchayat Executive Officer (PEO)/ Gram Rozgar Sevak (GRS), by inspecting the site and uploading the geo-tagged photograph.

Accordingly, GoO executed (December 2016) a Memorandum of Agreement (MoA)¹⁴ with the Central Building Research Institute (CBRI), Roorkee, and paid ₹1.05 crore in two instalments. As per the MoA, the CBRI was to: (i) suggest appropriate affordable building materials and construction technologies, for overall improvement in the construction cost, functional

¹⁴ Extended up to June 2020

efficiency, comfort, energy efficiency and durability against natural disasters and (ii) provide technical guidance in various activities.

Audit noted that: (i) the State had developed 11 House Design Typologies, in consultation with the CBRI and (ii) the menu of options, of the identified house designs and technologies, were to be provided to the beneficiaries, at the time of issuance of sanction/ work order by the State. However, Audit did not find instances of adoption of any of these Typologies, by the beneficiaries, in any of the test-checked districts. Audit also examined 1,440 case records in the test-checked Blocks, in which no designs were kept along with the work orders. Besides, during JPI, all the 864 beneficiaries stated that no house designs had been provided to them.

Thus, there was absence of voluntary adoption of the approved typologies by the beneficiaries, in conjunction with lack of adequate inspections, to ensure compliance with sound design typologies, prior to the release of installments to beneficiaries. These circumstances contributed to construction of houses that were subsequently left incomplete due to inadequate funds as mentioned in Para 2.1.6.5.

The PR&DW Department stated (October 2022) that, since PMAY-G is an individual benefit oriented scheme, with the individuals having liberty to construct houses as per their choice, the beneficiaries were sensitized to construct houses of typology suitable to their geographical area.

The reply is not acceptable, as Audit could not find any house typology designed by CBRI, in the test-checked districts, despite expenditure of ₹1.05 crore.

2.1.5.10 Doubtful Mason Training

Paragraph 6.2.3.1 of the FFI of the PMAY-G states that, for ensuring that the houses constructed are of good quality, the availability of skilled masons, in rural areas, is an imperative. States are, therefore, required to plan and conduct training of masons in locations where the construction intensity is projected to be high. Further, States are required to: (i) identify and nominate semi-skilled persons in rural areas, who are willing to undergo training (ii) identify and engage a Training Provider (iii) make arrangements for assessment and certification of the trained masons, through an Assessment Agency.

At the State level, the Odisha Rural Development and Marketing Society (ORMAS¹⁵) was implementing mason training, through Project Implementing Agencies (PIAs). PR&DW Department sets the target of mason training for a year, keeping in view the number of incomplete houses in the districts.

Audit noted that 35,733 candidates had been trained, during FYs 2019-20 and 2020-21, against a target of 43,057 candidates set by the Department, but certificates were issued only to 13,726 (38 *per cent*) candidates, after assessment.

The following irregularities were noticed in the mason training, imparted by the training providers, at the block level:

¹⁵ ORMAS is a registered society under the PR&DW Department and is, *inter alia*, assigned with the task of facilitating training on various skill development courses, under different schemes.

(i) Assignment of inadequate targets to the trainees:

The Department instructed (February 2017) that targets should be given to each trainee for completion of houses and that each trainee should complete at least two new houses and three incomplete houses, during the training period. Accordingly, before conducting the mason training, houses of beneficiaries were to be mapped with the trainees.

In the 24 test-checked blocks, only 15 blocks had conducted mason training of 1,730 masons, as per records. Audit noted that, in seven out of these 15 blocks, 920 masons were trained, but only 896 houses were tagged against the target of 4,600¹⁶, which resulted in non-extension of the scheme benefits to 3,704 beneficiaries.

(ii) Doubtful payment of wage compensation:

It was seen that, in 15¹⁷ out of 24 test-checked blocks, where 1,730 masons were stated to have been trained, the concerned blocks had paid wage compensation of ₹ 1.33 crore, to the trainees.

Out of these, in eight¹⁸ blocks, where 810 masons were stated to have been trained and wage compensation of ₹ 66.35 lakh had been paid, no detailed information, such as the number of houses tagged, number of houses completed through mason training etc., could be made available, in the absence of which, Audit could not certify the authenticity of the payments made.

Further, in the remaining seven¹⁹ blocks, the following irregularities were noticed, casting doubts on the authenticity of the training conducted:

- In five blocks²⁰, 69 houses were tagged for mason training, despite the fact that construction of the houses had already been completed, or even after completion of the stage that required mason work. In one²¹ case, though the construction of a house had not yet started (January 2022), the house was shown as having been tagged under mason training, during September 2020 to December 2020 and wage compensation was paid to the trainees, as shown in the records of the block.
- 15 PMAY beneficiaries were themselves mason trainees, but were tagged to the houses of other beneficiaries, when their own houses were under construction during the same period and other masons were tagged to their houses, as detailed in *Appendix-2.4*. Further, five of these 15 beneficiaries were tagged to their own houses during the same period along with being tagged to houses of other beneficiaries.
- Further, 22 beneficiaries, who were shown as working in the PMAY, had also been shown as working in the MGNREGS, on the same days, as detailed in *Appendix-2.5*, casting doubts not only on the genuineness

¹⁶ 920 trainees X 5 houses

¹⁷ Attabira, Bhatli, Padampur, Loisingha, Titilagarh, Kosagumuda, Jhorigam, Chandahandi, Hindol, Badasahi, Bisoi, Bijatala, Biramaharajpur, Dunguripali and Sonepur

¹⁸ Attabira, Bhatli, Padampur, Loisingha, Titilagarh, Kosagumuda, Jhorigam and Chandahandi

¹⁹ Hindol, Badasahi, Bisoi, Bijatala, Biramaharajpur, Dunguripali and Sonepur

²⁰ Badasahi-11, Bisoi-17, Bijatala-5, Jhorigam-18 and Chandahandi-18

²¹ Banamali Nayak (OR1349994), Village- Badajambilla, GP-Asana, Bisoi Block

of the records, but also on the actual engagement of these persons, in either of the schemes.

- During the JPI, Audit found that, out of 54 beneficiaries, whose houses had been tagged with mason trainees, 25 beneficiaries stated that no masons had been tagged to their houses, whereas 23 beneficiaries were unaware of the tagging of masons. Only six beneficiaries confirmed the fact of tagging of masons.

In view of the above Audit was unable to derive an assurance on the veracity of conduct of mason training with wage compensation of ₹1.33 crore.

The PR&DW Department stated (October 2022) that the deviations pointed out by Audit would be verified in detail and compliance would be submitted subsequently.

2.1.5.11 Inadequate reservation for Persons with Disabilities

Paragraph 3.4.6 of the FFI mandated States to ensure that three *per cent* of beneficiaries, at the State Level, are from among Persons with Disabilities (PwD). GoI further extended the reservation for persons with benchmark disabilities, under PMAY-G, to five *per cent*, with effect from 19 April 2017.

The Department of Social Security and Empowerment of Persons with Disabilities, GoO, intimated (December 2019) the PR & DW Department, that allocation of houses, under the PMAY-G, to PwDs, was far below the desired allocation of five *per cent* and requested it to earmark five *per cent* of the total allocation of houses under PMAY-G, in all districts of Odisha.

As per Census 2011 data, total PwD HHs in the State were 6.42 lakh. Out of these, 3.45 lakh PwDs, who lived in 0, 1 or 2 roomed kutcha houses, were eligible to be covered under the scheme.

As per AwaasSoft data, the position of sanction and completion of the houses, to PwDs, is given in the **Table 2.2**.

Table-2.2: Sanction of houses to PwDs against total sanction

Financial Year	Total sanctions made for all categories	Sanctions made to PwDs	Total completed	Completed houses of PwDs	Incomplete houses of PwDs
2016-17	3,96,078	684	3,74,027	659	25
2017-18	3,40,488	536	3,19,775	505	31
2018-19	2,55,951	337	2,36,755	302	35
2019-20	6,54,858	428	5,29,633	372	56
2020-21	1,90,302	148	1,18,965	77	71
Total:	18,37,677	2,133	15,79,155	1,915	218

(Source: Information furnished by PR&DW Department)

From the above table, it is evident that only 0.12 *per cent* of the total houses were sanctioned for the PwD category.

Further, Audit noted that, as per SECC-2011 data, there were 3.45 lakh eligible HHs having PwDs in the State, against which 83,962²² beneficiaries needed to

²² 2016-17: Three *per cent* of total sanction 3,96,078 : 11,882; 2017-18: Five *per cent* of total sanction 3,40,488 : 17,024; 2018-19: Five *per cent* of total sanction 2,55,951 : 12,798; 2019-20: Five *per cent* of total sanction 6,54,858 : 32,743 and 2020-21: Five *per cent* of total sanction 1,90,302 : 9,515

be covered, to meet the prescribed norms of the scheme. Records did not, however, indicate that the Department had taken any steps for providing houses to the required percentage of beneficiaries, from amongst the PwDs.

The PR&DW Department stated (October 2022) that entire PWL is exhausted and all the eligible PwDs in the PWL had been sanctioned PMAY-G houses. The reply is not satisfactory since during JPI, Audit found four PwD people living in kutcha houses who were not covered under the scheme as their names were not included in the PWL.

2.1.5.12 Provision of house sites to landless beneficiaries

Paragraph 5.2.2 of FFI of the PMAY-G provides that, in case of landless beneficiaries, the State is required to ensure that they are provided land from government land and public land. The States are further required to ensure that the provision of land, to landless beneficiaries, was accomplished, once the PWL was finalized. As families which had no homestead land for constructing houses were the most deserving among the left out families, the GoO instructed (August 2019) all Collectors/ PD, DRDAs to allot land to the landless families where they had constructed dwelling units and were staying. The SLC was to issue necessary direction and oversight for the purpose.

Further, PR&DW Department issued (July 2018) instruction to the Districts, to constitute a Sub-Divisional Committee to look after the distribution of house sites to identified landless HHs. The said committee was to analyze identified landless families, on a case-to-case basis. The Collectors were also instructed (January 2018) to utilize the District Mineral Fund, for purchase of private land, for distribution among the homestead less beneficiaries, selected under the rural housing schemes.

Audit noticed that, as per the approved PWL, there were 57,932 landless beneficiaries in the State, as on March 2021. Out of these, 40,608 (70 per cent) still remained land less, as on August 2021 and, hence, could not be provided with a dwelling unit. Audit also noted that no Sub-Divisional Committees, for looking after house site distribution to identified landless HHs, had been constituted at the district level, in any of the test-checked districts.

Audit further noted that the BDO, Kosagumuda, had identified 28 landless beneficiaries and requested (August 2019) the concerned Tahasildar, Kodinga, to ensure provision of land, for construction of the PMAY-G houses. Out of these 28 identified landless beneficiaries, only seven beneficiaries were provided with houses, while the names of the remaining 21 beneficiaries were deleted from the list of landless beneficiaries, without any recorded reasons.

As such, the objective of providing land to landless beneficiaries, for sanction of houses under PMAY-G, was not achieved in any of the test-checked districts and this section of beneficiaries, comprising of the most vulnerable and deprived citizens, was not included under the coverage of the PMAY-G.

The PR&DW Department admitted the fact and stated (October 2022) that coordination among concerned Departments of the State, like R&DM, Works, Steel and Mines, Law, Forest, ST&SC, was in process, to allocate house sites to landless beneficiaries.

2.1.5.13 Allotment of houses in the names of the female members and PwD members

Paragraph 5.3.2 of FFI stipulates that allotment of house is to be made jointly in the name of the husband and wife, or solely in the name of the woman. Further, in the case of beneficiaries selected under the quota for persons with disabilities, the allotment is required to be only in the name of the PwD member.

As per information furnished by PR & DW Department, out of the 18.38 lakh houses, sanctioned during the FYs 2016-17 to 2020-21, 7.31 lakh houses were allotted in the names of the male members.

Further, during the same period, while 2,133 houses were stated to have been allotted to beneficiaries selected under the PwD quota, the number of houses, allotted exclusively in the name of PwDs, was not available with the Department.

The PR&DW Department stated (October 2022) that instruction to this effect has been communicated and it would be followed up.

Recommendations:

1. *The State Government may finalize the PWL, with inclusion of all eligible beneficiaries.*
2. *The Annual Select Lists may be prepared, to sanction houses as per the auto generated PWL, to maintain transparency.*
3. *Detailed investigation, in regard to doubtful payments on mason training, may be conducted and appropriate action may be initiated.*

2.1.6 Physical Progress of the Scheme in the State

As 0.41 lakh houses could not be completed in time, the State would have to bear avoidable financial burden of ₹295 crore. Further, incomplete houses were shown as completed in AwaasSoft, houses were constructed for commercial purposes, and construction of big size houses were noticed.

2.1.6.1 Target and Achievement

Paragraph 5.6.2 of the FFI provides that the construction of houses was to be completed within 12 months from the date of sanction. The status of year-wise targets of construction of houses under the PMAY-G and achievement there against, as of 31 March 2021, is given in the Table 2.3.

Table 2.3: Target and Achievement (figures in lakh)

Financial Year	Targets for housing to be constructed during the year	Number of houses sanctioned	Total number of completed houses (as on March 2021)	Percentage of Completion	Number of incomplete houses (as on March 2021)
1	2	3	4	5	6=(3-4)
2016-17	3.96	3.96	3.74	94	0.22
2017-18	3.40	3.41	3.20	94	0.21
2018-19	2.56	2.56	2.37	93	0.19
2019-20	6.91	6.55	5.30	81	1.25
2020-21	2.02	1.90	1.19	63	0.71
Total:	18.85	18.38	15.80	86	2.58

(Source: Information furnished by PR&DW Department)

It can be seen from the Table that, against the sanctions of 18.38 lakh houses, the construction of only 15.80 lakh houses (86 per cent) was completed, during the FYs 2016-17 to 2020-21. However, the percentage of completion of houses declined, from 94 per cent in FY 2016-17 to 63 per cent in FY 2020-21, as shown in *Chart 2.1*.

Chart-2.1: Targets and achievements



Further, during FYs 2019-20 and 2020-21, entire allotted targets of houses to be constructed could not be sanctioned due to insufficient number of eligible beneficiaries in the PWL. Besides, the SC/ST beneficiaries in the PWL had already exhausted, hence minimum 60 per cent of the sanctions of houses for SC/ST beneficiaries could not be provided.

2.1.6.2 Incomplete Houses

Audit found that, during the FYs 2016-17 to 2020-21, 18.38 lakh sanctions had been issued for the construction of houses, against which 2.58 lakh houses remained incomplete, as on 31 March 2021. Out of these 2.58 lakh incomplete houses, 1.87 lakh houses had remained incomplete for more than one year. Year-wise details of the incomplete houses and subsequent release of installments, is given in the Table 2.4.

Table 2.4: Incomplete Houses

Financial Year	Incomplete houses	Instalment not issued	1st instalment paid	2 nd instalment paid	3 rd instalment paid
1	2	3	4	5	6
2016-17	22,051	97	9,695	7,627	4,632
2017-18	20,713	98	7,814	7,417	5,384
2018-19	19,196	108	6,954	7,414	4,720
2019-20	1,25,225	11,124	40,000	53,297	20,804
2020-21	71,337	12,456	20,279	33,473	5,129
Total:	2,58,522	23,883	84,742	1,09,228	40,669

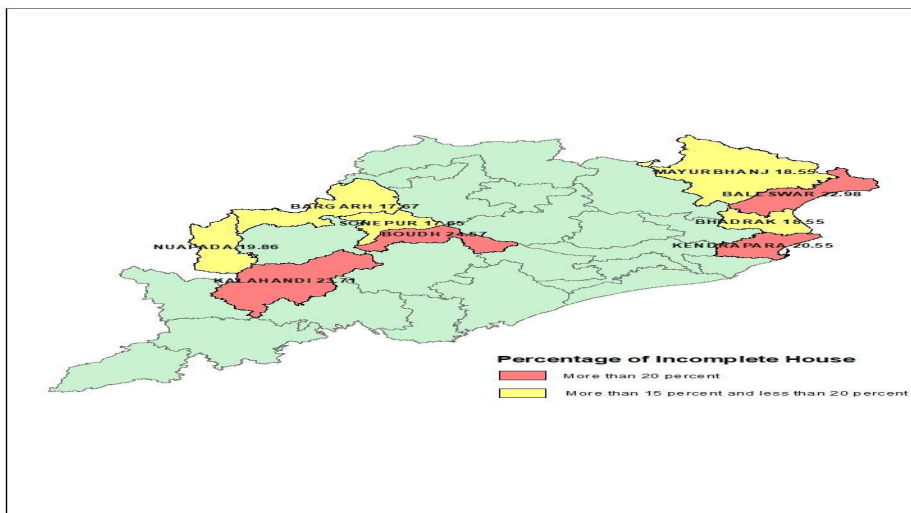
(Source: Information furnished by PR&DW Department)

It can be seen from the Table that, in 23,883 cases, although sanctions had been issued for the construction of houses but no instalment of assistance had been released to the beneficiaries. The Department stated that 1st instalment was not released, as the beneficiaries had not dug the foundation. However, in 2.35 lakh

cases, despite the department having released the first, second and third instalments, the houses had not been completed.

(ii) Further, analysis of AwaasSoft data (August 2021) revealed that, against the State average of incomplete houses of 14.04 *per cent*, the percentage of incomplete houses across the districts in Odisha, varied from 0.66 *per cent* (Sambalpur) to 24.57 *per cent* (Boudh), as detailed in **Appendix-2.6**. Further, the percentage of incomplete houses exceeded the State average (14.07) in nine districts.²³

Chart 2.2: District-wise percentage of incomplete houses



The PR&DW Department stated (October 2022) that steps had been taken to complete all the incomplete houses during the current financial year. The reply is not acceptable, as the Department, including the field functionaries had to ensure completion of houses within one year from the sanctions issued for construction of houses.

2.1.6.3 Non-sanctioning of houses within the prescribed time resulted in additional burden on the State Government

Paragraph 9.2.1 of the FFI stipulates that sanction of houses, to the beneficiaries, is to be issued within three months from the communication of targets by the Centre to the State and the 1st instalment is to be released within 15 days of the sanction.

Audit noted that, due to delays in the sanction of houses by the States (as against the targets provided by the GoI), MoRD requested (June 2021) States to complete sanction of all the pending houses, from FYs 2016-17 to 2020-21, by 31 July 2021, with the stipulation that houses pending for sanction beyond 31 July 2021, will become the responsibility of the concerned States and will need to be completed from State resources only, and no central financial assistance will be provided, by the Ministry, for completion of such houses. MoRD also asked States to surrender unachievable targets, if any.

²³ Balasore, Bargarh, Bhadrak, Boudh, Kalahandi, Kendrapara, Mayurbhanj, Nuapada and Sonepur

The PR&DW Department could not furnish the year-wise status of registration and sanction of houses, as on 31 July 2021, for the period from FYs 2016-17 to 2020-21.

Audit further noted that, against the target of 18.85 lakh house sanctions, up to FY 2020-21, the Department could sanction only 18.38 lakh houses (March 2021) leaving a balance of 0.47 lakh houses. However, as per the reply of the Department (October 2022), 0.41 lakh beneficiaries were yet to be sanctioned houses. Thus, the State Government would have to bear the cost of these 0.41 lakh houses, resulting in extra financial burden of ₹295²⁴ crore to the State, which could have been avoided, had the sanctions been made within the stipulated period.

The PR&DW Department stated (October 2022) that, due to non-availability of eligible HHs in PWL, landless HHs and HHs having land disputes, the houses could not be sanctioned. The fact, however, remained that the State Government lost out on the central share, resulting in additional burden to the State exchequer.

2.1.6.4 Incomplete houses of beneficiaries who died without legal heirs

MoRD issued (February 2020) the detailed procedure to be adopted for dealing with deceased beneficiaries of the PMAY-G who did not have a legal heir, viz. recovery of unutilized assistance, allotment of land of the deceased person to landless beneficiaries in the village etc.

Audit noted that, in the Nabarangpur and Sambalpur districts, there were 95 incomplete houses, against which payments of ₹ 44.80 lakh had already been released, by the State, to the beneficiaries. Audit further noted that the beneficiaries of these incomplete houses had expired without leaving any legal heir, but the Department did not issue any instructions to the districts to initiate action against these incomplete houses.

The PR&DW Department stated (October 2022) that districts have been instructed (March 2022) to deal these cases as per the prescribed procedure of revenue law.

2.1.6.5 Physical Verification of Houses

As per information furnished by the Department, during the FYs 2016-21, out of 18.38 lakh houses sanctioned, 15.80 lakh houses were completed and 2.58 lakh houses were incomplete. In test checked districts, out of 7.31 lakh houses sanctioned, 6.27 lakh houses were completed and 1.04 lakh houses were shown as incomplete. In eight test checked districts, JPI of 647 houses, shown as having been completed, in AwaasSoft, was conducted and the following were noticed:

- 370 (57 per cent) houses were being used by the beneficiaries.
- 277 (43 per cent) houses, which were shown as having been completed, in AwaasSoft, with the release of ₹3.31 crore, during the FYs 2016-17 to 2020-21, were actually incomplete, as seen in the photographs below.

²⁴ Houses 40,968 X ₹72,000 i.e., minimum central share per house

Photographs-2.4 and 2.5: Incomplete houses shown completed in AwaasSoft with full payment



Incomplete house (without roof casting) of Pati Jani, ID No. OR4666180 of Chakalapadar GP of Jhorigam PS of Nabarangapur District, shown as completed in AwaasSoft, with payment of full assistance of ₹ 1.30 lakh.



Incomplete house (without roof casting) of Nini Mani Harijan, ID No. OR4703427 of Kosagumuda GP/Block of Nabarangapur District, shown as completed in AwaasSoft, with payment of full assistance of ₹ 1.30 lakh.

- Seven beneficiaries had constructed shops, instead of houses. Photograph of one such case is depicted below.

Photograph-2.6: PMAY-G house used as shop



Harekrushna Pradhan (ID No. 1210182) of Managaobindapur GP of Badasahi Block constructed a shop, having two rooms.

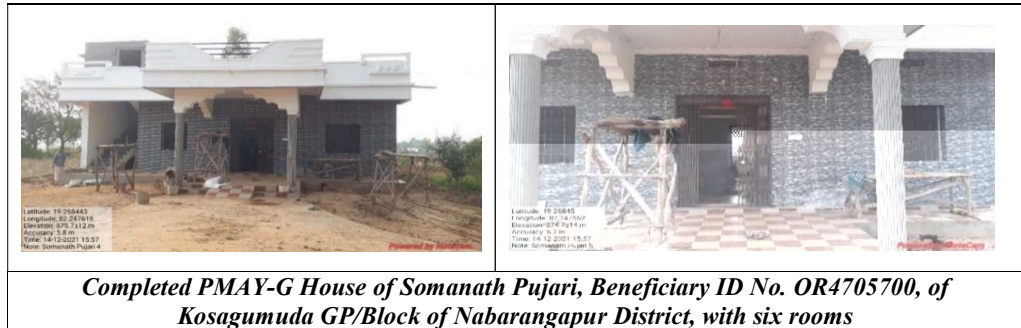
- Further, Audit also conducted JPI of incomplete houses and found that 143 houses (details in **Appendix-2.7**) had been constructed with large plinth areas, ranging from 28 to 149 sq.mtr, and had, thus, remained incomplete.

The above deficiencies in monitoring the physical progress of projects and data maintained on AwaasSoft, shows lack of data integrity and reliability.

Based on JPI, the following irregularities were also noted-

- In 53 cases, houses had been sanctioned to ineligible beneficiaries, who already had pucca houses, two/three wheelers and Kisan Credit Cards with a credit limit of ₹50,000 or above. The assistance of ₹ 62.05 lakh was paid to these beneficiaries. This could happen as required process for finalization of PWL was not followed by the Gram Sabhas.
- In 103 cases, houses had been constructed over large areas, ranging from 46 sq.mtr. to 167 sq.mtr., incurring expenditure up to ₹30.00 lakh, as shown in the photographs below, indicating that ineligible beneficiaries, who were capable of constructing their own houses, had been sanctioned houses under the PMAY-G. The assistance of ₹ 1.30 crore was paid to these beneficiaries.

Photographs-2.7 and 2.8: High cost PMAY-G house constructed in large plinth area



The BDOs stated (October 2021 to January 2022) that: (i) action would be taken to pursue completion of the incomplete houses and (ii) review of other deficiencies, pointed out by Audit, would be carried out. The reply is not acceptable, as the field functionaries did not ensure restricting of sanction of houses to financially sound people and other ineligible beneficiaries.

The PR&DW Department stated (October 2022) that beneficiaries were sensitized to use the houses for residential purpose and also stated that irregularities in the selection of beneficiaries, as pointed out by Audit, would be enquired in detail.

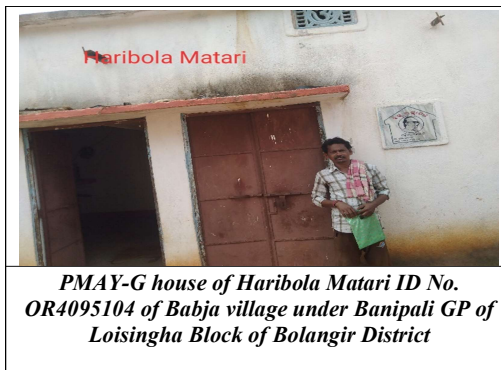
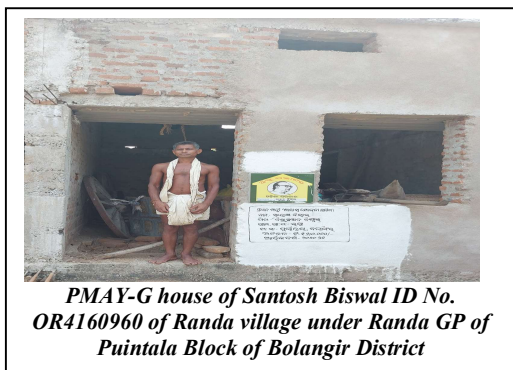
2.1.6.6 Display of official logo of the PMAY-G

MoRD directed (July 2017) the PR&DW Department, Odisha, that the logo of the PMAY-G may be displayed in all the completed houses. The official logo of PMAY-G was also uploaded on the website of the PMAY-G.

It was noted that the State Government had directed (December 2020 and January 2021) the Collectors to affix the logo of the PMAY-G and BPGY on all the PMAY-G houses. As the MoRD objected (February 2021) to such co-branding, Chief Secretary, GoO, clarified (March 2021) that it had decided to co-brand, in view of its financial contribution to the PMAY-G houses. MoRD did not accept (March 2021) the clarification, stating that the contribution of the minimum State share was a commitment by the State Government for implementation of the centrally sponsored scheme and this did not confer rights to the State Government for use of any logo, other than the PMAY-G logo.

During joint physical verification, Audit found that, in 194 PMAY-G houses, despite MoRD instructions, co-branded logos had been affixed, as shown in the photographs below.

Photographs-2.9 and 2.10: PMAY-G houses in which BPGY logo were affixed



Further, in 18 houses, BPGY logos had exclusively been affixed on the walls of the houses constructed under the PMAY-G scheme. Such instances were indicative of the risk that funds could have been reported as having been utilised under both schemes, despite only one house having been constructed, leading to the possibility of misappropriation/diversion of funds, under one, or both of the schemes.

The PR&DW Department stated (October 2022) that due prominence was given to the PMAY-G logo, on the walls of PMAY-G houses. The reply is not acceptable, as only PMAY-G logos are to be affixed on the houses constructed under PMAY-G.

Recommendations

- 4. Houses may be sanctioned within the prescribed time limit.**
- 5. Detailed investigation on irregular payment of MGNREGS wages and sanction of houses in the name of other beneficiaries, may be conducted and appropriate action may be initiated.**

2.1.7 Convergence with Other Schemes

Beneficiaries were deprived of the basic amenities like drinking water, toilet, electricity etc. due to failure in converging funds from other relevant schemes. There was also irrational provision of wage payment in convergence with MGNREGS as either full wage components are paid before release of first installment or wages were not paid even after completion of houses up to roof level.

Paragraphs 8.1 and 8.3 of the FFI stipulate that, in order to provide basic amenities, in addition to the assistance being provided for house construction under PMAY-G, convergence of the existing schemes, of both the Centre and the States, should be ensured. Such amenities could include construction of a toilet, support of 90/95 person-days under MGNREGA, drinking water, electricity connection and clean and more efficient cooking fuel. Further, to ensure convergence, State and District Level Committees, were required to hold meetings, for periodical monitoring and their review.

The Department had no information on convergence with other schemes for providing amenities like toilet, drinking water and electricity except data on LPG connection. Audit conducted JPI of 647 completed houses in 72 GPs of 24

Blocks of eight districts and noted the status of convergence, as shown in the **Table-2.5**.

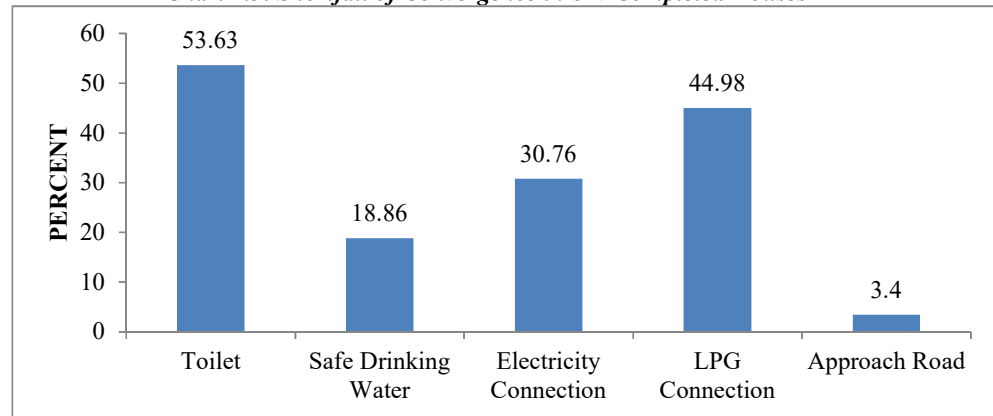
Table 2.5: Status of Convergence, found during JPI, of test-checked GPs of eight districts

District	No. of GPs	No. of Houses surveyed	HHs with Toilet	Access to safe Drinking water	Electricity connection	LPG Connection	Road connectivity
Baragarh	9	94	37	54	78	44	93
Bolangir	9	84	37	33	46	41	68
Dhenkanal	9	80	34	71	37	38	79
Ganjam	9	98	48	98	74	58	98
Mayurbhanj	9	72	38	65	33	33	71
Nabarangpur	9	72	21	68	42	25	70
Puri	9	75	49	69	71	65	75
Sonepur	9	72	36	67	67	52	71
Grand Total	72	647	300	525	448	356	625

(Source: Consolidation of data from JPIs in test checked GPs)

Thus: (i) 347 houses had no toilets (ii) 122 houses had no drinking water facilities (iii) 199 houses had no electricity connection (iv) 291 had no LPG provisions and (v) 22 houses had no approach road, as indicated in **Chart 2.3**.

Chart 2.3: Shortfall of Convergence in 647 Completed Houses



The above facts indicate the absence of convergence with other schemes, in the provision of basic amenities to PMAY-G beneficiaries.

The PR&DW Department stated (October 2022) that steps had been taken for convergence of PMAY-G with other schemes involving concerned Department.

The fact, however, remained that only one State Level Committee meeting was held (June 2018), instead of 10 required to be held and, at the district level, no meetings were held to discuss the issue of convergence and, hence, basic facilities could not be provided to the beneficiaries.

2.1.7.1 Person-days of unskilled labour under the MGNREGS

Para 8.1(b) of the FFI stipulates that it is mandatory to provide support of 90²⁵

²⁵ 95 person days in hilly states, difficult areas and IAP districts

person-days unskilled wage employment, at the current rates, to a PMAY-G beneficiary, for construction of his/ her house, in convergence with the MGNREGS. Server to server integration between the two MISs, i.e. AwaasSoft of PMAY-G and NREGASoft of MGNREGS, is stated to have been developed, in order to ensure that the work for construction of the house is automatically generated on NREGASoft, once the sanction of house is issued on AwaasSoft.

Audit noticed the following deficiencies and irregularities, in providing wage employment support to PMAY-G beneficiaries:

- (i) During the FYs 2016-17 to 2020-21, out of the total number of 18.38 lakh houses sanctioned to the beneficiaries, work was allotted²⁶ to only 18.22 lakh beneficiaries, under the MGNREGS.
- (ii) Against the 18.22 lakh beneficiaries, to whom work was allotted under MGNREGS, actual work was provided²⁷ to only 18.13 lakh beneficiaries.
- (iii) Further, out of the total number of 18.13 lakh beneficiaries to whom work was provided, wage assistance of ₹ 2,449.57 crore was released to only 16.98 lakh beneficiaries, for 13.36 crore person-days, while wages in regard to 1.15 lakh beneficiaries were yet to be initiated, as on 31 March 2021.
- (iv) Against the provision of 90 days, on an average, 78.63 person-days²⁸ were provided to the PMAY-G beneficiaries, for construction of a house, which resulted in an average shortfall of 11.37 person-days per beneficiary.
- (v) In eight test-checked districts, the shortfall of person-days ranged from 07 to 23 (details in *Appendix-2.8*).

Thus, considering the provision of 90 person-days per beneficiary, the beneficiaries were deprived of the opportunity to earn livelihood, to the extent of 193.07 lakh²⁹ additional person-days.

The PR&DW Department stated (October 2022) that muster rolls for more than 28 days could not be generated, due to technical grounds, in NREGASoft. After resolving the issue, the BDOs had been instructed to generate muster rolls for PMAY-G beneficiaries, observing provisions of NREGA.

2.1.7.2 Irrational Provision of Person-days

As per instructions of the PR&DW Department (May 2017), the tagged officer of the beneficiary shall collect the demand from the beneficiaries and submit it to the BDO, for generation of e-Muster roll, for payment of wage assistance.

Audit noted that there was no uniformity and rationality in allotting person-days to the beneficiaries, based on the stages of construction. In 864 test-checked cases, Audit found that no wage assistance had been provided to 59³⁰ beneficiaries, despite completion of houses up to the roof level, whereas another

²⁶ Beneficiary is allowed to work in a particular house.

²⁷ Beneficiary had actually worked in the house.

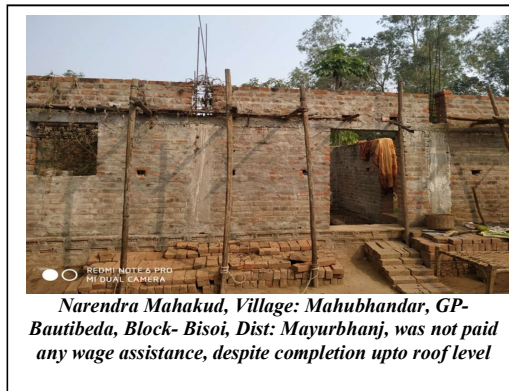
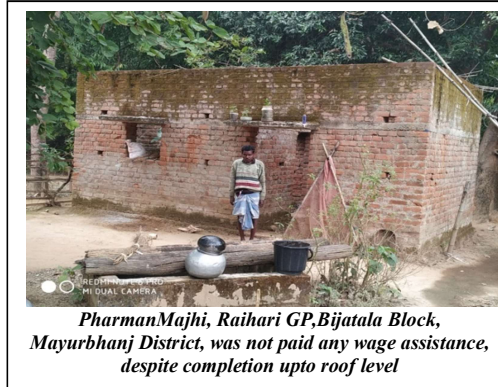
²⁸ 13,35,52,644 mandays / 16,98,444 beneficiaries= 78.63

²⁹ Number of person days to be provided as per norm i.e., 15,28,59,960 less the number of person days actually provided i.e., 13,35,52,644

³⁰ All test-checked districts, except Baragrh

59³¹ beneficiaries had been paid wages above 70 person-days, even though they had completed construction only up to the plinth level/ lintel level, as depicted in the following photographs:

Photographs-2.11,2.12, 2.13 and 2.14: PMAY-G houses with irregular payment of wages



Audit further noticed that, in three³² cases, beneficiaries were paid wages for 72 to 90 person-days, even though the first instalment, under PMAY-G, had not been released to them.

The BDOs stated (October 2021 to January 2022) that necessary instructions would be issued to the PEOs and GRSs.

The PR&DW Department stated (October 2022) that there is no link between the stage of house construction and payment of wage employment. However, the reply was silent regarding non-payment of wage assistance to the beneficiaries, despite completion of their houses up to the roof level.

2.1.7.3 Irregularities in the maintenance of case records

Audit test-checked 1,440 case records of PMAY-G beneficiaries, in the test-checked blocks and found the following irregularities:

³¹ All test-checked districts, except Balangir

³² Siandi GP, Krushnaprasad PS, Puri district: 72 person-days; Melchhamunda GP, Padampur PS, Bargarh district: 80 person-days; Kharamunda GP, Attabira PS, Bargarh district: 90 person-days

(i) *Absence/non-authentication of enquiry reports in regard to eligibility of the beneficiaries*

As per PR&DW Department circular (June 2016), before sanction of PMAY-G houses, the eligibility of the concerned beneficiaries was to be ascertained by means of enquiry reports. Audit found that, in 145 cases, no such reports were available and, in another 57 cases, the enquiry reports, though available, had not been authenticated by the enquiry officers. The absence of enquiry reports indicates lack of transparency, which could lead to allotment of houses to ineligible beneficiaries.

(ii) *Issue of work orders without authentication by the concerned authorities*

In 484 cases, out of 1,440 cases, work orders had been issued to beneficiaries, without: (a) the signatures of the concerned BDOs and (b) the numbers and dates having been recorded therein.

The Department stated (October 2022) that the observation has been noted for future guidance.

Recommendations

- 6. Convergence with the flag ship schemes may be adopted to provide basic necessities to the beneficiaries.***
- 7. Wage compensation out of MGNREGS may be given on the basis of actual progress of work.***

2.1.8 Financial Management

There was delay in release of first instalment up to 1576 days in 4,146 cases. ₹ 18.10 crore were irregularly transferred to another account in the plea of administrative expenditure.

Paragraphs 10.2 (b to d) of the FFI of the PMAY-G envisages that the annual central allocation (assistance for house construction), to the States, is to be released in two instalments. The Ministry has to first release funds to the Consolidated Fund of the State, as per the provision made in the Central Budget, for release of Programme funds to State. The miscellaneous receipts and interest accrued on the PMAY-G funds, are to be treated as part of the scheme resources.

Paragraphs 10.6.1 and 10.7 further provide that the State Government is to release the full state share, corresponding to the central share, within a period of 15 days of the release of central share. Further, the Central allocation of funds, including administrative funds which have been sent to the State Consolidated Fund, are to be transferred to the SNA within 15 days from the date of receipt of funds in the State Consolidated Fund, failing which a penal interest rate of 12 *per cent* per annum would be applicable.

Details of the total funds received and expenditure incurred on the construction of houses, during the FYs 2016-17 to 2020-21, in the Programme and Administrative funds, are enumerated in the ***Table-2.6***.

Table-2.6: Year-wise receipts and expenditure of PMAY-G Funds*(₹ in crore)*

Financial Year	Programme Fund					Administrative Fund				
	Central share	State share	Other receipts	Total funds received	Expdr.	Central share	State share	Other receipts	Total funds received	Expdr.
			(interest)					(interest)		
1	2	3	4	5 (2+3+4)	6	7	8	9	10 (7+8+9)	11
2016-17	1,239.14	826.09	30.00	2,095.23	482.56	49.57	33.04	0.54	83.15	63.00
2017-18	3,053.67	2,035.79	49.22	5,138.68	5,810.38	70.39	46.92	1.27	118.58	9.77
2018-19	3,238.56	2,127.66	149.41	5,515.63	4,690.68	51.76	34.51	1.85	88.12	180.14
2019-20	2,145.57	1,461.77	122.61	3,729.95	5,563.84	51.76	34.51	2.25	88.52	35.89
2020-21	2,802.43	1,868.29	53.20	4,723.91	4,506.73	19.44	12.96	0.02	32.43	81.82
Total	12,479.37	8,319.60	404.44	21,203.40	21,054.19	242.92	161.94	5.93	410.80	370.62

(Source: Information furnished by the PR&DW Department)

Audit noted the following issues in regard to the financial management of the scheme:

2.1.8.1 Irregular operation of bank account in ICICI bank

Paragraph 10.9 of the FFI provides that the administrative funds, from the SNA, are to be transferred through FTOs³³, using the AwaasSoft and PFMS platforms. As per the minutes of the Empowered Committee (February 2021) at the MoRD level, there was only one account at the State level.

Audit noticed that the Department had transferred ₹ 18.10 crore³⁴, from the SNA, to a bank account maintained at the ICICI Bank (Account Number: 028401003117). The funds were transferred for the purpose of travel/ mobility support to the field functionaries in regard to administrative expenditure. Details of the expenditure made against these funds were neither reflected in the AwaasSoft, nor were the balances, available in the ICICI Bank account, reflected in the Audit Report prepared by the Chartered Accountants (CA).

As all the expenditure from the PMAY-G, was to be made through FTOs, using the AwaasSoft and PFMS platforms, the irregular transfer of ₹18.10 crore, from the SNA, to the ICICI bank account, carried a material risk of utilization of these funds for purposes other than those intended under the guidelines.

The PR&DW Department stated (October 2022) that, as the contingent expenditure was not in an online platform, the related expenditure was made on DBT mode, utilizing the RH portal of State Government, by opening one bank account in the ICICI bank. It further stated that this practice had been stopped after contingent expenditure was allowed on online platform.

However, as the Department could not furnish any information regarding utilization of ₹18.10 crore that was transferred from the SNA, to the account maintained at the ICICI Bank, Audit was unable to derive assurance as to whether these funds had been actually utilized towards implementation of the PMAY-G.

³³ Funds are transferred from SNA to the beneficiary's bank account through digitally signed Fund Transfer Orders or FTOs.

³⁴ 27 August 2021: ₹ 5 crore, 13 May 2021: ₹ 3 crore, 9 April 2021: ₹ 1 crore, 18 February 2021: ₹ 1 crore, 15 February 2020: ₹8.10 crore

2.1.8.2 Delay in submission and non-preparation of CA Audit Reports

As per Paragraph 9.5 of FFI, States were required to ensure that the account of PMAY-G, at the State level, and the administrative fund account, at the district level, were audited by a CA, from a panel approved by the C&AG. The audit was to be completed before 31 August of the next financial year.

Audit noticed the following deficiencies, in the audit of accounts of both the Programme funds and the Administrative funds:

- Audit reports for Programme funds, for FYs 2016-17, 2018-19 and 2019-20, were prepared with delays of 293, 170 and 183 days, respectively. Further, the audit report for FY 2020-21, had not been prepared till September 2021.
- Similarly, the audit report for the Administrative funds, for FY 2016-2017, was prepared with a delay of 208 days, while, for FY 2018-19, it was prepared provisionally. Further, the audit reports for FYs 2019-20 and 2020-21, had not been prepared (as of September 2021).

The PR&DW Department stated (October 2022) that after incurring required percentage of expenditure, the Audit Report was submitted to MoRD. The reply is not acceptable since the FFI provided for completion of audit before 31st August of the next FY irrespective of expenditure incurred.

2.1.8.3 Delay in release of first instalment

As per paragraph 5.4.1 of the FFI, the first instalment is to be released to the beneficiary electronically, to the registered bank account of the beneficiary, within a week (seven working days) from the date of issue of the sanction order. States are required to ensure, with the Bank in which the State Nodal Account (SNA) is maintained, that an SMS is sent to the beneficiary, conveying the transfer of first instalment.

Audit however, noted that there were delays in release of the first instalment, as detailed below.

- Analysis of the AwaasSoft data revealed that, in 41,146³⁵ cases, the first instalments were released to the concerned beneficiaries, with delays ranging from 07 to 1,576 days.
- In the eight sampled districts, in 2,001 cases, despite houses having been sanctioned, the first instalments had not been released, for more than one to four years. Further, in regard to another 13,443 beneficiaries, the first instalments had been released with delays ranging between 07 and 1,383 days.
- Audit also test-checked 1,440 cases, in the 24 sampled PSs and found that, in 672³⁶ cases, there were delays in payment of the first instalments, ranging from one month to two years, beyond the prescribed limit of seven days. This resulted in delays in completion of the houses.

The PR&DW Department stated (October 2022) that instructions had been issued to the field functionaries to release the first instalment only after digging

³⁵ Out of 18.40 lakh HHs as per Dump Data of AwaasSoft

³⁶ 618 cases: one month to six months, 52 cases: six months to one year, 2 cases: more than one year

of foundation. The reply is not acceptable, since the instructions are not in conformity with the FFI's stipulation for release of funds within one week of sanction of house.

2.1.8.4 Non-recovery of assistance paid against non-existent PMAY-G houses

As per paragraph 5.7.1 of the FFI, the instalments of assistance are to be released based on different stages of progress of the house. Further, as per para 9.3.1.2, the physical progress of stage-wise construction on ground, is to be verified and monitored through geo-referenced, date and time stamped photographs, captured by the mobile Awaas App application and uploaded on AwaasSoft.

However, Audit noticed that, in the DRDA, Nabarangapur, four³⁷ houses had been shown as having been completed, with payment of ₹5.89 lakh having been made, during FYs 2017-18 to 2020-21, including payment of incentive for early completion, as well as the wage component under MGNREGS. In all these cases, the concerned tagged officers uploaded fake photographs in AwaasSoft and released all the instalments to the beneficiaries' accounts. As the concerned beneficiaries denied construction of any such houses and receiving assistance for construction, DRDA conducted an enquiry and, based on the enquiry report, the Collector intimated (September-October 2021) the facts to the Superintendent of Police, Vigilance, Koraput, for appropriate legal action. Final report from Vigilance was awaited.

Audit observed that photographs of different longitudes and latitudes had been accepted, uploaded and instalments had been released, indicating weaknesses in the internal control system and raising doubts in regard to the process of disbursal, which was carried out by the officials³⁸.

The PR&DW Department stated (October 2022) that MoRD would address the issues in the mobile App and software developed by MoRD, so that the system can check manipulation in capturing photos.

2.1.8.5 Non-procurement of Logos through GeM

As per Finance Department, GoO's Circular (2019), the procurement of goods and services of common use, is to be made through the Government e-Marketplace (GeM).

In eight test-checked DRDAs, Audit noted that the PMAY-G and BPGY co-branding logos had been purchased at a cost of ₹8.74 crore, either centrally at the level of the concerned districts, or at the block level. These logos had been procured at different rates, ranging from ₹62.40 to ₹584 per piece, in different districts. Even within the Nabarangpur district, logos had been purchased at rates ranging from ₹62.40 (Umerkote Block) to ₹79 (Kosagumuda block) per piece.

Audit further observed that these logos had been procured through the tender process, instead of being procured through GeM. Reasons for not using GeM,

³⁷ Three of Kosagumuda Block (ID Nos: OR4699114, OR4705300 and OR4697825) and one of Nandahandi Block (ID No: OR4611959)

³⁸ Tagged officers who submitted the photographs, the BPC at the Block level who accepted the fake photographs of non-existent houses and the GRSs who released the wages from MGNREGS with false muster rolls, without execution of work.

for procurement of logos, was not found available on records.

The PR&DW Department stated (October 2022) that the logos had been procured at District and PS levels, observing all financial procedures. The reply is not acceptable, as non-procurement through GeM, resulted in variations in the rates of the same product, at different PSs and Districts.

2.1.8.6 Non-refund of Administrative funds by Districts and Blocks

In compliance with Paragraph 10.9 of the FFI, in regard to transfer of administrative funds from the SNA, through FTOs, using the AwaasSoft and PFMS Platforms, the MoRD instructed (August 2019) closure of all other accounts, operating for the disbursement of administrative funds, at the State, District and Block levels.

Accordingly, the PR & DW Department instructed (April 2021) all Districts and Blocks to refund the entire unspent IAY/PMAY(G) funds, to the State Nodal Account, by May 2021.

Audit, however, found that the eight test-checked districts and 24 test-checked blocks had not refunded the unspent amount of ₹51.14 crore (*Appendix-2.9*), to the SNA.

The PR&DW Department stated (October 2022) that the unspent Administrative funds have been refunded by Blocks and Districts to the SNA. However, no documentary evidence regarding date and amount deposited etc., had been furnished by the Department in support of their reply.

2.1.8.7 Inadmissible expenditure out of the Administrative Fund

Paragraph 3.3.1 of the FFI provides the list of items of works that are permitted to be incurred under 'Administrative expenses', as listed in serial nos. (i) to (xiii). Examination of records of the Blocks and DRDAs revealed that expenditure of ₹7.83 crore had been incurred on the following inadmissible items.

- Three test-checked blocks³⁹ had paid ₹7.60 crore, during FYs 2016-17 to 2020-21, towards incentive for early completion of houses, even though the same was to be paid from the State's own resources.
- BDOs⁴⁰, Jhorigam and Chandahandi, had incurred ₹10.85 lakh towards printing and supply of flex banners and signboard, in connection with the State Schemes 'Mo Sarkar'⁴¹ and 'Kalia' and celebration of Children's Day.
- DRDA, Sonapur, had paid (November 2019) ₹12.00 lakh, towards payment of interest and penalty of EPF dues.

The PR&DW Department stated (October 2022) that the payment of inadmissible items, if any, would be recouped on receipt of funds from the concerned scheme.

³⁹ BDO, Jhorigam: ₹6.43 crore; BDO, Chandahandi: ₹0.98 crore; and BDO, Jagannath Prasad: ₹ 0.19 crore

⁴⁰ BDO, Jhorigam: Mo Sarkar-₹17,860, Kalia Flex- ₹1.03 lakh & celebration of Children's Day- ₹4.77 lakh; BDO, Chandahandi: Celebration of Children's Day-₹4.87 lakh

⁴¹ Mo Sarkar initiative is State Scheme which aimed at reaching the general public, with the objective of receiving their feedback on the programmes of the Government.

Recommendations

- 8. Instalment may be released in a timely manner, for smooth completion of the houses.**
- 9. All payments, including administrative expenditure, may be made through FTOs, using the AwaasSoft and PFMS platforms.**
- 10. Expenditure from administrative funds may be incurred only for admissible items.**
- 11. Administrative funds, available at the district and block levels, may be refunded to the SNA.**

2.1.9 Monitoring and Inspection

2.1.9.1 Inspection by District/Block level officers

No social audit had been conducted in any of the test-checked GPs and PSs to ensure transparency and public accountability. The grievance redressal mechanism was not efficient as complaints were either not attended or simply forwarded to the field offices without ensuring its proper disposal.

Paragraph 9.3.2 of the FFI provides that the Programme Management Unit (PMU), in the States, is to monitor the scheme implementation and quality supervision at different levels. It further states that: (i) Officers at the Block level should inspect, as far as possible, 10 per cent of the houses, during construction (ii) District level officers should inspect two per cent of the houses, during construction and (iii) Every house, sanctioned under PMAY-G, is to be tagged to a village level functionary (who could also be a government employee), who shall facilitate and follow-up with the beneficiary, till the completion of a house.

In the absence of relevant records, however, Audit could not ascertain whether, in the eight test-checked districts and 24 test-checked blocks, the inspections had been conducted to the extent mandated under the FFI.

The PR&DW Department stated (October 2022) that PMU staff at different levels were monitoring the scheme implementation on daily basis. However, no documentary evidence like inspection note and action taken report were made available in any of the test checked units.

2.1.9.2 Social Audit

Paragraph 9.6.1 of the FFI provides that Social Audit, involving a mandatory review of all aspects, is to be conducted in every Gram Panchayat, at least once in a year. Further, as per Paragraph 9.6.2, the basic objective of social audit is to ensure achievement of public accountability in the implementation of the PMAY-G. The process combines people's participation and monitoring, with the requirements of the audit discipline. In the State, the Odisha Society for Social Audit Accountability and Transparency is responsible for such Audit.

Audit however, observed that no social audit had been conducted in any of the test-checked GPs and PSs, during FYs 2016-17 to 2020-21. Due to non-conduct of social audit, the objective of public accountability in implementation of the scheme could not be achieved. Further, the objective of people's participation with the monitoring process also remained unachieved.

The PR&DW Department stated (October 2022) that social audit had been conducted since September 2022.

2.1.9.3 Grievance Redressal Mechanism

Paragraphs 12.1 and 12.2 of the FFI provide that a grievance redressal mechanism is to be set up at different levels of administration, i.e. the GP, Block, District and State levels. An official of the State Government is to be designated at each level, to ensure disposal of grievances, to the satisfaction of the complainants. The official who is designated at each level is responsible for disposing of the grievances/ complaints within a period of 15 days from the date of receipt of the grievances/ complaints. Audit noticed the following deficiencies in redressal of grievances at different levels:

- At the State Level, 937 complaints were received during the FYs 2016-17 to 2020-21, out of which 887 complaints had been disposed of, and 50 complaints, relating to the FYs 2016-17 and 2017-18, remained pending for disposal, as on August 2021. These cases could not be disposed of, due to non-receipt of reports from the district level, even after a lapse of three years.
- Further, in seven⁴² out of the eight test-checked districts and 23⁴³ out of the 24 test-checked blocks, no records had been maintained to watch the receipt and disposal of complaints/ grievances. The complaints received at the district level were forwarded to the concerned PSs, for compliance. Similarly, complaints received at the PS level were forwarded to the concerned Panchayat Executive Officers (PEOs), for enquiry at their end. Thus, at the district and block levels, the actual disposal of complaints was not ensured and disposal of the complaints was not intimated to the complainants.

The PD, DRDAs and the BDOs noted (October 2021 to January 2022) the audit observation for future guidance. Further, the PR&DW Department stated (October 2022) to take action for redressal of the grievances received from the stakeholders.

2.1.9.4 Incorrect data in AwaasSoft

As per Paragraphs 5.2.1 and 9.3.1 of the FFI, before issue of a sanction order, the BDO was required to ensure capture of the geo-referenced photograph of the beneficiary, in front of the house where the beneficiary was currently living, followed by a geo-tagged photograph of the land on which the beneficiary proposed to construct the house and upload it on AwaasSoft. Further, the physical progress of the stage-wise construction on ground was to be verified and monitored through geo-referenced, date and time stamped photographs, captured by inspectors, or by the beneficiaries themselves, using the mobile based application "AwaasApp" and uploaded on AwaasSoft.

Audit analysed the AwaasSoft data, relating to geolocations of the houses in

⁴² Except DRDA, Bargarh

⁴³ Except BDO, Ganjam

sampled districts, plotted in ArcGIS⁴⁴ and found that, in 3,521⁴⁵ cases, the houses were located outside the State. This created doubt on the integrity of the AwaasSoft data.

The PR&DW Department stated (October 2022) that MoRD would display the correct location of the houses on AwaasApp.

Recommendations

- 12. State Government may ensure timely and regular conduct of the mandated inspections at different levels and conduct regular social audit at the GPs level, to improve scheme implementation and address shortcomings in the implementation of the scheme.***
- 13. All grievances may be attended to, with intimation to the complainants.***

⁴⁴ ArcGIS is an application software for mapping of the latitude and longitude of any location and preparation of maps.

⁴⁵ Baragarh:339, Bolangir:332, Dhenkanal:120, Ganjam:741, Mayurbhanj:1270, Nabarangapur:628, Puri:13 and Sonepur:78