

CHAPTER-5

**SKILL
DEVELOPMENT**

This chapter contains audit observations relating to the implementation of the skill development project in the mining affected areas of the State. The major audit findings included improper planning in the implementation of the skill development scheme; delays in completion of training for youth belonging to Scheduled Tribes/ Scheduled Castes (ST/SC) of the mineral bearing districts; drop-out of candidates before completion of the training; non-placement of trained youth; and lack of monitoring of the skill development project.

5.1 Introduction

The ST&SC Development, Minorities & Backward Classes Welfare Department, Government of Odisha, undertook (May 2016) a skill development training programme, for 200 youth belonging to Scheduled Tribes/ Scheduled Castes (ST/SC), from the mineral bearing districts⁷¹ of the State, for the Fitter and Electrician trades, with a duration of two years and a training cost of ₹2.92 crore. The proposal of the ST & SC Development, Minorities & Backward Classes Welfare Department was approved by the BoD (June 2016, in its 5th Meeting), wherein it was proposed that an amount of ₹2.04 crore (70 per cent of the training cost) be arranged by the OMBADC. The remaining amount was to be borne by the Department itself. The Centurian University of Technology and Management (CUTM)⁷², Jatni, was empanelled as the executing agency for the task, under the Odisha Scheduled Caste/ Scheduled Tribe Financial Development Corporation (OSFDC) as the Project Implementing Agency (PIA). Accordingly, OMBADC released their share of ₹ 2.04 crore to OSFDC (November 2016). The Director (Scheduled Tribe)-cum-Special Secretary, released (October 2017) an amount of ₹44 lakh, towards its share, under the ST component to OSFDC and OSFDC allocated (November 2017) another ₹44 lakh out of the available funds for SC component.

Being the project implementing agency, OSFDC signed a Memorandum of Understanding with CUTM (12 January 2017) for executing the training programme. As of March 2022, the CUTM had provided training to 188 students, in both the above mentioned trades. In this context, the following issues were observed, in Audit:

⁷¹ Angul, Dhenkanal, Jajpur, Jharsuguda, Keonjhar, Koraput, Mayurbhanj and Sundargarh

⁷² A deemed university, empanelled for conducting trainings under ST & SC Development, Minorities & Backward Classes Welfare Department, Government of Odisha

5.2 Financial Management

5.2.1 Receipt and utilisation of Funds

Receipt, utilisation and interest earned, from the funds received by OSFDC on behalf of the ST & SC Development, Minorities & Backward Classes Welfare Department, from OMBADC and other sources, up to March 2022, under the Skill Development programme, is given in **Table 5.1**.

Table 5.1: Details of funds received and utilised

(₹ in crore)

Sources of Fund	Funds received by the OSFDC	Interest earned ⁷³ as of March 2022	Total	Funds released by OSFDC to CUTM	Balance with OSFDC
OMBADC	2.04	0.33	3.25	2.19	1.06
Director (ST) cum Special Secretary – ST & SC Development, Minorities & Backward Classes Welfare Department	0.44				
Allocated by OSFDC out of the funds allotted by ST & SC Development, Minorities & Backward Classes Welfare Department (under SC sector)	0.44				
Total	2.92	0.33	3.25	2.19	1.06

(Source: Information furnished by the OSFDC)

From **Table 5.1**, it was noticed that, OSFDC had released ₹ 2.19 crore to CUTM, as of 31 March 2022. The payment was made in phased manner during the period from January 2018 to February 2020. During this period OSFDC earned an interest of ₹ 0.33 crore. As per the ‘Guidelines for OMBADC project Financing, Implementation and Monitoring’ circulated by Finance Department, GoO, the accrued interest should have been refunded to OMBADC at the end of the financial year. The interest amount of ₹ 0.33 crore was not refunded till March 2022. However, the accrued interest had been collected by OMBADC in August 2022 after an audit observation during the compliance audit (January 2022). Further, OSFDC was able to utilise only ₹2.19 crore (as of March 2022), out of the total funds released, amounting to ₹2.92 crore. This constituted only 75 per cent of the funds released.

In reply, the CEO, OMBADC, stated (June 2023) that, 100 per cent target could not be achieved due to outbreak of COVID-19. The reply was not acceptable, as the MoU for training of 200 candidates provided that the training was to be completed during the period from 12 January 2017 to 11 January 2019, which was before the outbreak of COVID-19 pandemic.

⁷³ The interest amount ₹ 0.33 crore was refunded to OMBADC in August 2022

5.3 Implementation

5.3.1 Non-selection of candidates from the identified villages of mineral bearing areas

OMBADC had approved the project, subject to the condition that the trainees should be selected from the identified villages of the mineral bearing areas of the State of Odisha.

On scrutiny of the records of the OSFDC, it was noticed that 191 candidates (95.50 per cent), out of the total of 200 candidates, had not been selected from the identified mining affected villages in the Mineral bearing Areas of the State, in violation to the decision of the OMBADC. Hence, the eligible SC/ST youth of the mining affected districts were deprived of the benefits of skill development training and the expenditure of ₹2.16 crore⁷⁴ incurred out of the funds allocated for the mining affected villages, for imparting training to 191 candidates of the non-mining villages of mineral-bearing districts, was irregular.

In reply, the CEO, OMBADC, stated (June 2023) that the selection of the candidates had been made out of the mineral bearing districts, in accordance with the decision of Government in the ST & SC Development, Minorities & Backward Classes Welfare Department. The reply was not tenable, as the Board of Directors of OMBADC, in their 4th Meeting, held on 22 June 2016, had approved the proposal of Skill Development training of SC&ST youths, with the stipulation that the trainees should be selected from the identified villages of the mineral bearing areas of the State.

5.3.2 Delay in completion of training

For conduct of the training, OSFDC and CUTM signed (12th January 2017) a Memorandum of Understanding (MoU), for imparting training to 200 SC and ST youth, from the eight mineral bearing districts, which was valid for two years from the date of its execution.

Scrutiny of records revealed that, as of March 2022, CUTM had provided training to 188 SC and ST candidates, *i.e.*, after a lapse of more than 14 months from the date of completion of validity of the extended MoU (which was valid up to 11 January 2021). The batch-wise training courses conducted, and expenditure incurred, is given in **Table 5.2**.

Table 5.2: Batch-wise number of candidates enrolled and completed training

Batches	Name of the trade	Duration of training	Number of candidates enrolled	Number of candidates who completed the two years course	Expenditure incurred (₹ in lakh)	Remarks
1 st Batch	Fitter	28/01/2017 to 27/01/2019	38	36	86.10	Two candidates each, from the fitter and
	Electrician		37	35		

⁷⁴ Expenditure towards the nine candidates, belonging to non-mining affected villages, not included, as their training was yet to be completed.

Batches	Name of the trade	Duration of training	Number of candidates enrolled	Number of candidates who completed the two years course	Expenditure incurred (₹ in lakh)	Remarks
						electrician trades, had left, after completion of one year of training
2 nd Batch	Fitter	07/07/2017 to 06/07/2019	44	44	90.37	
	Electrician		28	28		
3 rd Batch	Fitter	31/03/2018 to 19/03/2020	14	14	27.65	
	Electrician		08	08		
4 th Batch	Fitter	01/03/2019 to 28/02/2021	21	00	14.48	After completion of one year of training, all 23 candidates had left
	Electrician		02	00		
5 th Batch	Fitter	15/09/2022 to 14/09/2024	04	continuing		
	Electrician		08	continuing		
Total			204	188	218.60	

(Source: Compiled by Audit, from OSFDC records)

From the information compiled in **Table 5.2**, it is evident that, in the first batch starting from January 2017, only 75 candidates (38 fitter trade and 37 electrician trade) had been enrolled, as against the planned 200 candidates (100 candidates in each trade). Even in the second batch, starting from July 2017, only 72 candidates (44 fitter trade and 28 electrician trade) had been enrolled, as against the available seats of 125 candidates. This indicated a poor implementation of the training programme, which led to delay in completion of the programme and non-utilisation of available funds.

It can also be seen, in **Table 5.2**, that all the 23 candidates of the fourth batch (March 2019 to February 2021), had not completed the training programme, due to the Covid 19 pandemic. Had the training programme been completed as per the schedule (January 2019), *i.e.*, before the pandemic, these 23 candidates would not have left the training unfinished.

In reply, the CEO, OMBADC, stated (June 2023) that, after execution of the MoU with CUTM on 12 January 2017, OSFDC had immediately issued instructions to CUTM for selection of candidates and starting the training programme for 200 SC/ST youth. The reply is not acceptable, as the training programme had not been completed within the stipulated period of two years.

5.3.3 Non-placement of trained youth

As per clause (1) of the MoU, the training cost per student, for two years, was ₹50,000 and the lodging-boarding cost was ₹96,000. 40 *per cent* of the training cost was to be paid after two months from the date of completion of training, subject to submission of relevant documents by the CUTM, in support of 80 *per cent* placement, and verification of placement by the competent authority. As per clause 4 (i) and 5 (i) of the MoU, CUTM was to establish placement tie-ups, for

placement of trained youth, in reputed industries, within two months of the completion of the training.

In this context, Audit observed that:

- Out of 143 candidates, trained in first and second batches, CUTM had stated that 129 candidates⁷⁵ had been placed, in both the trades. OSFDC communicated to CUTM (October 2021) that, out of the 129 placed candidates, the Placement Verification Committee (PVC) of OSFDC could contact only 30 candidates, none of whom were employed in the respective firms, as stated by CUTM. Thus, it transpired that CUTM had either not maintained the correct data base, or it had furnished false reports to the OSFDC.
- The PVC had called for an explanation (October 2021) from CUTM, for not providing a genuine position of the placement and withheld the 8th instalment of training cost (40 *per cent*) in respect of all 143 candidates, but had later recommended for release of the same, in its subsequent meeting (November 2021) after obtaining one undertaking to own responsibility. However, the explanation given by the CUTM, which led to the recommendation for release of the 8th instalment, was not found available on records. In the light of PVC's report, communicated by OSFDC to CUTM, on the genuineness of placement of candidates, the matter needs to be investigated and responsibility fixed.
- In the third batch, CUTM could not provide placement to any of the 22 trained candidates, in any industry, in violation of the MoU. As such, the payment of ₹27.65 lakh, to CUTM, was rendered infructuous and the objective of the training was defeated.
- To substantiate the facts, a Joint Physical Verification (JPV) was conducted by Audit, in participation with OSFDC and CUTM. The JPV physically interacted with 10 SC/ST candidates of the Danagadi, Sukinda and Bari blocks, under the Jajpur district. Out of these 10 candidates, seven were stated to have been trained in the electrician trade and 3 in the fitter trade. It was observed that, out of 10 candidates interviewed by Audit, only one candidate under electrician trade was on job at Eastern Refrigeration, Gujarat. Out of the remaining nine candidates, three were got placement but quit the job after two months, eight months and two years respectively due to overtime work, distance from home and health issues. The remaining six candidates had not got placement after training. None of the placed candidates had issued placement order with monthly salary slip, job profile duty hour *etc.*, and contribution towards ESI and EPF was not made while on initial placement.

⁷⁵ 66 trained candidates in fitter trade were stated to be placed as technician at Western Refrigeration, Vapi, Gujarat and 63 trained candidates in electrician trade were stated to be placed as technician at Kannapiran Mills Ltd. Coimbatore, Tamil Nadu

However, as per clause 5 (i), (ii) and (ix), of the MoU, CUTM was to provide placement to the trained youth within two months of completion of training. Further, it was the responsibility of CUTM to: (i) ensure that the trained candidates accept the job and join at the work place (ii) carry out continuous follow-up with employers and (iii) stay in touch with the aspirants for at least six months after the completion of training.

Thus, CUTM had not ensured long-term and effective placement, to the trained candidates and the objective of providing skill development to 200 SC and ST candidates, of the mineral bearing areas, had remained unachieved.

5.4 Monitoring

Audit observed that, though review meetings had been conducted between OSFDC and CUTM, no review meetings had been conducted by the ST & ST Development, Minorities & Backward Classes Welfare Department, or the OMBADC authorities, regarding implementation of the programme and achievement of the desired objectives. Further, Monthly Progress Reports, in regard to the number and details of candidates for the skill development training programme, along with placement information, had not been submitted to the Department, as well as to the OMBADC by OSFDC, for review as stipulated under Clause 2.B (VIII) & 3 (viii) of the Guidelines for OMBADC project financing, implementation and monitoring. CUTM had maintained the database of each of the placed candidates trained in a specific trade or skill; placed candidates with the names of the employers; contact numbers; and salaries and designations, as stipulated in the MoU. However, the data was found to be incomplete, due to which Audit could not ensure whether the intended objectives had been achieved.

Recommendations:

Government may:

- 14. Select candidates for skill development training, through OMBADC funds, only from the mining affected areas and not from non-mining areas.***
- 15. Ensure completion of training to the candidates within the stipulated time, set up a mechanism for ongoing evaluation of the training being imparted and render assistance for placement of the trained candidates.***