

**Report of the  
Comptroller and Auditor General of India  
General and Social Sector**

**for the year ended March 2015**

**Government of Odisha**  
*Report No. 4 of the year 2016*



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## **Preface**

This Report for the year ended March 2015 has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution of India.

The Report contains significant results of the Performance Audit and compliance audit of the Departments of the Government of Odisha and Public Sector Undertakings under the General and Social Services including School and Mass Education, Electronics and Information Technology, Planning and Convergence, General Administration, Rural Development, Home, Revenue and Disaster Management and Finance Department.

However, Departments of Culture, Food Supplies and Consumer Welfare, Higher Education, Housing and Urban Development, Information & Public Relations, Labour and Employees' State Insurance, Law, Panchayati Raj, Parliamentary Affairs, Public Enterprises, Public Grievances and Pension Administration, Science and Technology, ST & SC Development, Minorities & Backward Classes Welfare, Sports & Youth Services, Health and Family Welfare, and Women & Child Development are not covered in this Report on General and Social Services.

The cases mentioned in this Report are those which came to notice in the course of test audit for the period 2014-15 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; matters relating to the period subsequent to 2014-15 have also been included wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



# **Chapter I**

## **Introduction**



## **Chapter I Introduction**

### **1.1 About this Report**

This Report of the Comptroller and Auditor General of India (C&AG) on Government of Odisha relates to matters arising from Performance Audits of selected programmes and activities and Compliance Audits of Government Departments.

The primary purpose of the Report is to bring to the notice of the State Legislature, important results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The audit findings are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance.

Compliance Audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of the audited entities to ascertain whether the provisions of the Constitution of India, applicable Rules, Laws, Regulations and various orders and instructions issued by the competent authorities are being complied with.

Performance Audit examines the extent to which the objectives of an organisation, programme or scheme have been achieved economically, efficiently and effectively.

Chapter I of this Report provides a synopsis of the significant audit observations, while Chapter II deals with the findings of two Performance Audits and Chapter III deals with Compliance Audits of various departments.

The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts for the year 2014-15 as well as those which had come to light for earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2014-15 have also been included, wherever necessary.

### **1.2 Significant audit observations of Performance Audit**

This Report contains two Performance Audits. The focus has been on auditing the specific programmes/ schemes and offering suitable recommendations, with the intention to assist the executive in taking corrective action and improving service delivery to the citizens. Significant audit observations are discussed below:

#### **1.2.1 Implementation of Rashtriya Madhyamik Shiksha Abhiyan in the State**

The objective of Rashtriya Madhyamik Shiksha Abhiyan (RMSA) was to provide access, quality and equity in secondary and higher secondary education to the eligible population in the country. Though the RMSA framework provides for one secondary school within a reasonable distance of

five km from the residence, 3,167 eligible habitations did not have any secondary school. There was absence of preparatory work like formation of core group for micro planning at district level by conducting survey for assessing the requirement of infrastructure and prioritising them to implement the scheme. No planning was done to implement Vocationalisation of Secondary Education. The State established only 773 out of 1,535 new schools proposed in the Perspective Plan. There was shortfall in construction of new schools and strengthening of infrastructure in existing schools, resulting in classroom-student ratio exceeding the norm of 1:40. In addition, students were deprived of facilities like libraries, laboratories, etc. The quality of education suffered due to non-recruitment of 4,790 teachers and inadequate training to them. Implementation of ICT@Schools scheme suffered due to deficient e-content, inferior quality furniture, non-supply of tablets with pre-installed e-content and ineffective ICT training to teachers. Monitoring of implementation of the scheme was deficient both at district and State level. Consequently, the physical milestones approved by the Government of India could not be achieved even after six years of implementation.

*(Paragraph 2.1)*

### **1.2.2 Information Technology Audit on Implementation of Odisha Secretariat Workflow Automation System**

Government of Odisha implemented Odisha Secretariat Workflow Automation System (OSWAS), a workflow automation system at the State Secretariat, to bring in efficiency and effectiveness in its functioning. Even after six years of implementation, all envisaged core, common and department specific applications could not be developed.

OSWAS had weak management controls. Business process re-engineering was not conducted which created inefficiencies and inconsistencies in file management. Business Continuity and Disaster Recovery Plans were not framed. Odisha Computer Application Centre (OCAC) did not exercise adequate control over database administration activities.

The digital signature was partially implemented which failed to protect the integrity of notes created through OSWAS. OSWAS had design deficiencies like incomplete administrator interface, non-provision for transfer/ posting, ineffective session management, inconsistencies in reports and time-stamping, etc.

Access controls were found inadequate in OSWAS as the files were accessible to any user irrespective of department, post and confidentiality. User management was given to the vendor without any control of OCAC. OSWAS used outdated platforms making Government business vulnerable. Several features in user interface were non-functional.

Usage of OSWAS was low as 81 *per cent* of departments had created more than 50 *per cent* of files in physical form outside OSWAS. Training to users on core and common applications was inadequate.

*(Paragraph 2.2)*

### 1.3 Significant audit observations of Compliance Audits

#### 1.3.1 Implementation of Biju Kandhamal O Gajapati Yojana

Government of Odisha launched a Special Area Development initiative called 'Biju Kandhamal O Gajapati Yojana' (BKGY) in 2009-10 for Kandhamal and Gajapati districts. Audit of implementation of the scheme revealed that the Comprehensive district plan was not formulated based on the gap analysis and three crucial sectors - electricity, livelihood and social safety net under the scheme were not given requisite priority. The objectives of the scheme to provide *bijli*, *pani* and *sadak* to the deficient villages were not fully achieved. Annual Action Plans were formulated with delays and without considering inputs from line departments. People's participation in formulation, implementation and monitoring of program was not ensured. Utilisation of funds under the scheme during 2011-15 was only 50 *per cent* of the available funds because of delay in sanctioning of projects by district authorities, delay in release of funds, lack of monitoring by district authorities, *etc.* There were several deficiencies in project implementation which led to wasteful expenditure as projects were not put to use. Inspection and monitoring was found inadequate at all levels.

*(Paragraph 3.1)*

#### 1.3.2 Improper management of shopping halls

The provisions of the rules for management of shopping halls were largely violated. Despite subletting as well as unauthorised construction for increasing the floor area of the shopping halls by the allottees, no penal action was taken as per the provisions of the rule. Inadequate inspection coupled with inaction on detection of subletting and unauthorised constructions facilitated the violators to continue occupying the shopping halls unauthorisedly. Lease agreements of shopping halls were renewed without following a transparent system. There was no system for periodical revision of rent.

*(Paragraph 3.2)*

#### 1.3.3 Avoidable extra expenditure of ₹ 1.28 crore on procurement of computers

Inordinate delay in taking decision by Centre for Modernising Government Initiatives and lack of monitoring for timely purchase of computers by District Collectors resulted in extra expenditure of ₹ 1.28 crore on purchase of 1,511 computers.

*(Paragraph 3.3)*

#### 1.3.4 Construction and maintenance of rural roads

Test check of records of eight Divisions of the Rural Development Department revealed that due to award of six works without ensuring availability of land and forest clearance, the agreements with the contractors were foreclosed and the Department incurred avoidable expenditure of ₹ 5.48 crore on re-award of works. In 18 works, penalty of ₹ 5.77 crore was not imposed on the contractors

despite non-completion of works within the stipulated period. Further, there was short recovery of penalty of ₹ 5.25 crore in nine cases where contracts were rescinded.

*(Paragraph 3.4)*

### **1.3.5 Curtailment of Central assistance due to delay in setting up of Police Training Schools**

Delay in identification of land for setting up of Police Training Schools as well as completion of construction works on the available land by the Home Department led to curtailment of Central assistance of ₹ 17.50 crore and diversion of training equipment, etc. valuing ₹ 2.06 crore.

*(Paragraph 3.5)*

### **1.3.6 Non-recovery and remittance of Employees' Provident Fund contribution**

Non-contribution of ₹ 18.22 crore to the Employees' Provident Fund violating the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 by the District Education Officers resulted in penalty of ₹ 3.10 crore.

*(Paragraph 3.6)*

### **1.3.7 Erroneous computation of additional compensation**

Failure of the Land Acquisition Officer of the Puri Collectorate to compute compensation till the date of award as prescribed in Land Acquisition Act, 1894 led to non-payment of compensation amounting to ₹ 6.41 crore to 2,410 land losers.

*(Paragraph 3.7)*

### **1.3.8 Loss due to irregular parking of State Disaster Relief Fund in current account**

Drawal of Government money from treasury by the Collectors of Puri and Ganjam, without immediate requirement and parking the same in current account, resulted in avoidable interest burden of ₹ 2.33 crore.

*(Paragraph 3.8)*

### **1.3.9 Lack of response to Audit**

A review of IRs issued upto March 2015 pertaining to 24 departments revealed that 40,919 paragraphs relating to 10,092 IRs were outstanding at the end of June 2015. As of September 2015, 13 out of 24 departments did not submit explanatory notes in respect of 38 paragraphs featured in the C&AG's Audit Reports from the years 2003-04 to 2013-14. Out of 624 recommendations made by the Public Accounts Committee from the 3<sup>rd</sup> Report of tenth Assembly (1990-95) to 10<sup>th</sup> Report of fourteenth Assembly (2009-14), final action taken notes on 21 recommendations were not furnished by five departments.

*(Paragraph 3.9)*

## **1.4 Recommendations**

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



# Chapter II

## Performance Audit

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2.1	Implementation of Rashtriya Madhyamik Shiksha Abhiyan in the State	7-19
2.2	Information Technology Audit on Implementation of Odisha Secretariat Workflow Automation System	20-44



## Chapter II Performance Audit

This chapter contains the findings of Performance Audit on Implementation of Rashtriya Madhyamik Shiksha Abhiyan in the State and Information Technology Audit on Implementation of Odisha Secretariat Workflow Automation System.

### School and Mass Education Department

#### 2.1 Implementation of Rashtriya Madhyamik Shiksha Abhiyan in the State

##### EXECUTIVE SUMMARY

*The objective of Rashtriya Madhyamik Shiksha Abhiyan (RMSA) was to provide access, quality and equity in secondary and higher secondary education to the eligible population in the country. Though the RMSA framework provides for one secondary school within a reasonable distance of five km from the residence, 3,167 eligible habitations did not have any secondary school. There was absence of preparatory work like formation of Core Group for micro planning at district level by conducting survey for assessing the requirement of infrastructure and prioritising them to implement the scheme. No planning was done to implement Vocationalisation of Secondary Education. The State could establish only 773 out of 1,535 new schools proposed in the Perspective Plan. There was shortfall in construction of new schools and strengthening of infrastructure in existing schools, resulting in classroom-student ratio exceeding the norm of 1:40. In addition, students were deprived of facilities like libraries, laboratories, etc. The quality of education suffered due to non-recruitment of 4,790 teachers and inadequate training to them. Implementation of ICT@Schools suffered due to deficient e-content, inferior quality furniture, non-supply of tablets with pre-installed e-content and ineffective ICT training to teachers. Monitoring of implementation of the scheme was deficient both at district and State level. Consequently, the physical milestones approved by the Government of India could not be achieved even after six years of implementation.*

##### 2.1.1 Introduction

Government of India (GoI) launched Rashtriya Madhyamik Shiksha Abhiyan (RMSA) in 2009 with the objective of providing access, quality and equity in secondary and higher secondary education in the country. In order to provide access to educational institutions, the scheme envisaged establishment of new secondary schools, upgradation of existing upper primary schools and strengthening of existing secondary schools. The scheme aimed at providing required infrastructure, engagement of adequate number of teachers and training for them for bringing quality. To maintain equity, the scheme provided for establishment of hostels, free lodging/ boarding for weaker sections of society and girl students besides facilities such as providing

assistive devices, teaching/ learning material, transport/ escort allowance, etc., to disabled students.

The earlier schemes launched by GoI namely Girls' Hostel (2009-10), ICT@Schools (2010-11), Inclusive Education for Disabled at Secondary Stage (IEDSS) (2013-14) and Vocational Education (VE) (2013-14) were subsumed under RMSA. While RMSA and ICT@Schools schemes were funded jointly by GoI and Government of Odisha (GoO) in the ratio of 75:25, Vocational Education and Girls' Hostel schemes were funded in the ratio of 90:10 and in case of IEDSS scheme, it was fully funded by the GoI. The scenario of secondary education in the State before launching of RMSA and at the end of academic year 2014-15 is indicated at **Table 2.1.1**.

**Table 2.1.1: Statement showing category-wise schools, enrolment of students and teachers deployed during 2009-10 and 2014-15**

Category	No. of schools		Enrolment <sup>1</sup> in secondary schools		No. of teachers	
	2009-10	2014-15	2009-10	2014-15	2009-10	2014-15
Government	4,594	5,071	5,27,438	7,17,629	27,878	30,742
Aided	2,052	2,892	2,92,461	3,54,016	17,192	20,336
Others <sup>2</sup>	1,272	1,528	1,27,656	1,53,914	NA	NA
<b>Total</b>	<b>7,918</b>	<b>9,491</b>	<b>9,47,555</b>	<b>12,25,559</b>	<b>45,070</b>	<b>51,078</b>

*(Source: Information furnished by the Department and OMSM)*

The number of Government schools to total schools in the State decreased from 58 per cent in 2009-10 to 53 per cent in 2014-15. However, the percentage of enrolment therein to the total enrolment increased from 56 to 59 during the same period. Despite increase in enrolment, the Government schools were not equipped with required teaching staff and infrastructure as discussed at **Paragraphs 2.1.6.4** and **2.1.8.1**.

### **2.1.2 Organisational set up**

The State Government implemented RMSA and other four schemes through Odisha Madhyamik Shiksha Mission (OMSM), a registered society, established (2010) under the administrative control of School and Mass Education (S&ME) Department. While the Director of Secondary Education is responsible for overall administration of Secondary Education in the State, the State Project Director (SPD) of OMSM is overall in-charge of implementation of the scheme in the State. In each district, one District Education Officer (DEO) cum District Project Co-ordinator (DPC) is responsible for implementation and monitoring of the scheme. OMSM forwards consolidated proposals to the National Mission for release of funds and the same are examined and approved by the Project Appraisal and Approval Committee of the National Mission known as Project Appraisal Board (PAB).

<sup>1</sup> Enrolment does not include Class XI and XII as they are coming under Higher Education in this State

<sup>2</sup> Includes students in private, ICSE and CBSE schools

### 2.1.3 Audit objectives

The Performance Audit on implementation of RMSA aimed to assess whether:

- Required planning and institutional arrangements were made to bring all the eligible children under the RMSA fold;
- Programmes were implemented in accordance with the scheme guidelines and manuals;
- Required number of qualified teachers were recruited, trained and posted for providing quality education as per norms of the scheme;
- Funds were utilised economically, efficiently and effectively; and
- Adequate internal control and grievance redressal systems were in place and were effective.

### 2.1.4 Audit criteria

Performance Audit was evaluated with reference to the following criteria:

- Framework on Implementation of RMSA and Manual on Financial Management and Procurement on RMSA framed by GoI;
- Annual Work Plans & Budget and Annual Action Plans of OMSM;
- Orissa Budget Manual, Orissa Treasury Code and Orissa General Financial Rules;
- Odisha Public Works Department Code; and
- Instructions and orders issued by the GoI and State Government.

### 2.1.5 Scope and Methodology of Audit

Audit was conducted during September 2015 to January 2016 covering the period 2010-15. Audit test checked records of School and Mass Education Department, Directorate of Secondary Education, Odisha Madhyamik Shiksha Mission (OMSM), District Education Officers and Block Education Officers/ District Inspector of Schools of eight<sup>3</sup> sample districts. The sample districts were selected based on the Random Sampling Without Replacement (RSWOR) method. In each district, one urban block and two rural blocks were selected and in each block three secondary schools were selected on RSWOR method. In the presence of and at the request of Audit, departmental officers conducted physical inspection of assets. Photographs were taken, wherever considered necessary. Interview of 10 students and five teachers in each sampled school were conducted through an administered questionnaire to ascertain the satisfactory level of teaching environment, availability of physical infrastructure and quality of teaching. The Audit objectives, criteria, scope and methodology of the Performance Audit were shared with the Commissioner *cum* Secretary, S&ME Department in an Entry Conference held on 7 August 2015. Exit Conference with Commissioner *cum* Secretary, S&ME was held on 12 May 2016, where the audit observations were discussed. The views of the Department were considered and suitably incorporated in the Report.

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<sup>3</sup> Balasore, Sundargarh, Sonepur, Kendrapara, Koraput, Jajpur, Rayagada and Dhenkanal

The audit findings are discussed in the succeeding paragraphs.

## **Audit Findings**

### **2.1.6 Planning**

#### **2.1.6.1 Habitation without access to secondary school**

The framework for implementation of RMSA, *inter alia*, provides for a secondary school within a reasonable distance of five kilometres from each habitation. As per the Perspective Plan prepared by the Department, 1,535 secondary schools (new and upgraded) were to be established during 2009-12<sup>4</sup> to cover all eligible habitations. The coverage of habitations by secondary schools in 2009-10 and 2014-15 is indicated at **Table 2.1.2**.

**Table 2.1.2: Status of coverage of habitations**

<b>Particulars</b>	<b>2009-10</b>	<b>2014-15</b>
Total no. of eligible habitations for coverage under secondary schools	87,095	89,341
No. of eligible habitations not covered by secondary schools	1,235	3,167

*(Source: Status Report of secondary education and AWP&B of the State)*

Though the coverage of secondary schools increased by 2.58 *per cent* in 2014-15 as compared to 2009-10, the uncovered eligible habitations to total habitations increased from 1.42 *per cent* in 2009-10 to 3.54 *per cent* in 2014-15.

Audit observed that only 773 schools<sup>5</sup> were established as of March 2015 due to delay /non-commencement of construction of new buildings in upgraded schools. However, no Perspective Plan was prepared beyond 2012. As of March 2015, out of 89,341 habitations in the State, 3,167 habitations (3.54 *per cent*) did not have a secondary school within the prescribed distance which included 1,195 eligible habitations in eight sample districts. During survey conducted by departmental officials in presence of Audit, 120 out of 649 students stated that they had to cover more than five km to reach the school.

The Department assured (May 2016) that the matter would be looked into.

#### **2.1.6.2 Non-formation of Core Group and non-preparation of Perspective Plan at school level**

As per RMSA framework, a Core Group was to be formed at district level comprising of governmental and non-governmental persons who would undertake an extensive visit of the district, by interacting with each household to ascertain the educational status and the educational need. Further, a School Management Committee (SMC) was to be formed at each school level who would prepare a school level Perspective Plan and Annual Plan. Annual Work Plans were prepared by the DPC based on the data available in Unified District Information System for Education (UDISE) as well as Census data and not on the basis of actual household and school surveys.

Audit noticed that:

- OMSM did not maintain any data on the availability of classrooms for secondary level to assess additional requirement for maintaining classroom-pupil ratio at 1:40 as per RMSA guidelines. Similarly,

<sup>4</sup> 2009-10: 300, 2010-11: 800 and 2011-12: 435

<sup>5</sup> 2009-10: 300, 2010-11: 400, 2011-12: 9, 2013-14: 45 and 2014-15: 19

critical infrastructure like laboratories, libraries, drinking water facilities, etc., were not assessed.

- Though SMCs were formed in all 50 sample schools, no Perspective or Annual Plan was prepared at school level. Committees like Building Committee and Academic Committee were not constituted to oversee construction of infrastructure and conduct of proper academic activities.

Thus, the planning process was not conducted as envisaged in the framework. The Department while admitting (May 2016) the fact, stated that the district functionaries of RMSA were being strengthened.

### 2.1.6.3 Absence of plan for Vocational Education and IEDSS

The Vocationalisation of Secondary Education scheme was subsumed in RMSA during 2013-14. GoI sanctioned ₹ 9.41 crore and released (March 2014) ₹ 4.70 crore. In addition, the State Government also released (March 2014) ₹ 43.80 lakh.

Audit noticed that the Department decided only in May 2015 to open two trades *i.e.* Information Technology/ Information Technology Enabled Services and Automobile from the academic year 2015-16 in 30 schools for 1,500 students. However, the trades were not opened in any of the schools as of December 2015 due to absence of plan.

Further, GoI launched IEDSS scheme with the objective of ensuring retention of all disabled children passing out of Class VIII by creating easily accessible appropriate environment in secondary schools. The scheme was implemented in the State through NGOs. Due to non-preparation of plan and proposal for the period 2012-15 by the Department, the scheme could not be implemented in the State. As a result, disabled students were deprived of the benefits of the scheme.

The Department stated (May 2016) that steps would be taken to implement the scheme in the State from 2016-17.

### 2.1.6.4 Non-posting of teaching and non-teaching staff

The PAB, while approving the upgradation of new schools and strengthening of existing schools, also approved new teaching and non-teaching posts to these schools from 2009-10 onwards. The details of teaching and non-teaching staff approved and actually recruited in these schools under the Scheme are detailed in the *Table 2.1.3*.

*Table 2.1.3: Details of staff approved and in position*

Year	PAB approval		Actual recruitment	
	Teacher	Non-teaching <sup>6</sup>	Teacher	Non-teaching
2009-10	2,400	0	691	0
2010-11	3,200	1,400	687	0
2011-12	72	1,400	6	0
2012-13	0	807	0	0
2013-14	360	1,418	10	0
2014-15	152	0	0	0
<b>Total</b>	<b>6,184</b>	<b>5,025</b>	<b>1,394</b>	<b>0</b>

(Source: Information furnished by OMSM)

<sup>6</sup> Laboratory Assistants, Library Assistant *cum* Office Assistant and Daftery

As against approval of 6,184 teachers, only 1,394 teachers (22.54 per cent) were appointed. In 2012-13 and 2014-15, no teachers were appointed though 5,654 and 1,499 teachers respectively were approved by PAB. In respect of non-teaching staff, no recruitments were made though PAB approved 1,394 posts. In this context, Audit noticed the following:

- In all 50 sampled Government schools, teachers were not available for five<sup>7</sup> subjects as of March 2015 and in 13 schools, Teacher-Pupil ratio registered was 1:31 to 1:56 as of March 2015 against norm of 1:30.
- In 240 schools, as against requirement of 1,821 teachers, there were 2,359 teachers, resulting in excess of 538 teachers. At the same time, in 974 schools, there were 4,256 teachers against requirement of 7,202, resulting in shortage of 2,946 teachers.
- In Rayagada district, in three high schools, there were two Physical Education Teachers (PET) in each school, whereas 52 schools in the district did not have a single PET.

### **2.1.7 Financial Management**

To achieve the intended objectives of the programme, the GoI and GoO released their share of funds to OMSM for further release to the DPCs for implementation of the programme. During 2009-15, OMSM received ₹ 1,321.31 crore<sup>8</sup> and utilised only ₹ 560.76 crore (42.44 per cent). The year wise sanction and receipt of funds is detailed in *Appendix 2.1.1*. Except, 2014-15, the percentage of shortfall in utilisation of funds in the State during 2009-14 ranged from 51.27 (2009-10) to 94.13 (2010-11). The non-utilisation of funds was due to non-completion of construction of 414 schools, non-conducting of training programmes, non-implementation of VE scheme, etc., as discussed in *Paragraphs 2.1.6.3, 2.1.8.1 and 2.1.9.1*. Due to slow progress in implementation of the schemes, the State Government could avail of only ₹ 977.76 crore as against ₹ 1,752.44 crore approved by the GoI.

Audit also noticed the following irregularities:

- Advances amounting to ₹ 516.98 crore, sanctioned in favour of 30 DPCs, 30 DEOs of the Department and three Inspectors of Schools of SC&ST Department, were lying unadjusted, which included ₹ 58.24 crore in eight sampled districts as of March 2015.

The Department assured (May 2016) to initiate a drive to adjust the outstanding advances.

- OMSM advanced ₹ 1.10 crore to 12 institutions (₹ 96.67 lakh) and eight employees (₹ 13.22 lakh) during December 2011 to March 2015 for office contingency, training, renovation work, procurement of teaching kits, etc., which remained unadjusted as of December 2015. Out of them, six employees who took advance of ₹ 13.17 lakh had already been transferred out of the administrative control of OMSM as

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<sup>7</sup> TGT Arts: 16 schools, TGT Science: 10 schools, Hindi: 19 schools, Sanskrit: 13 schools and PET: 10 schools

<sup>8</sup> GoI: ₹ 977.75 crore, GoO: ₹ 297.47 crore and interest: ₹ 46.09 crore

of December 2015 and no action was taken to recover the outstanding advances.

The Department stated (May 2016) that major amount of advances related to National Council for Educational Research and Training towards purchase of books.

- In three, out of eight sample districts, ₹ 88.43 lakh was diverted for other purposes under the orders of SPD, OMSM and ₹ 5.13 lakh was diverted for 'distribution of bicycle' to students by the DEO Kendrapara, which is a State sponsored scheme.
- Out of ₹ 21.87 crore released by GoI during 2009-12 under IEDSS scheme, the Department deducted ₹ 21.87 lakh towards Audit Fee, despite absence of any such provision in the scheme. However, no audit was conducted and no expenditure was incurred in this regard, as of August 2015. Despite this, the Department furnished full utilisation certificate to GoI.

The Department assured (May 2016) that the matter would be looked into.

### 2.1.8 Programme implementation

RMSA has a provision for infrastructure support to enhance access and to provide enabling conditions for quality education, including construction of new class rooms, laboratories, art and craft room, library, office room, girls' hostel, etc. The deficiencies in implementation of various components of RMSA are discussed below:

#### 2.1.8.1 Shortfall in construction of new schools

As per the school mapping exercise conducted by OMSM, out of 87,095 habitations, 7,761 (8.91 per cent) had no secondary school within a radius of five km. This required establishment of 1,535 new secondary schools. The year-wise target and achievement in construction of new schools for the period 2009-15 are as under:

Table 2.1.4: Target vis-a-vis achievement in establishment of new secondary schools

Year	Perspective Plan (PP)	Proposal made in AWPB	PAB approved	As of March 2015			
				Completion	Shortfall	In progress	Not taken up
2009-10	300	300	300	195	105	58	47
2010-11	800	800	400	164	236	141	95
2011-12	435	42	9	0	9	0	9
2012-13	--	0	0	0	0	0	0
2013-14	--	70	45	0	45	25	20
2014-15	--	200	19	0	19	0	19
<b>Total</b>	<b>1,535</b>	<b>1,412</b>	<b>773</b>	<b>359</b>	<b>414</b>	<b>224</b>	<b>190</b>

(Source: Compiled from AWP&B)

Due to non construction of schools, the targets for completion of 1,535 schools

by the end of 2011-12 as per the Perspective Plan could not be achieved, leading to extension of construction plan beyond 2011-12.

Audit noticed that:

- Though the Department constructed/ upgraded 773 existing upper primary schools to secondary schools, it failed to create necessary infrastructure for 414 schools (53.56 per cent) as of March 2015.
- The executing agencies did not take up the works in 190 schools even after lapse of one to six years due to non-handing over of land (25), unsuitable locations (18), non-completion of tendering process by the executing agencies (88) and reasons for delay not found on record (59).
- Out of 50 test checked schools, construction of additional class rooms was not done in 10 schools upgraded during 2009-11 and in case of three schools, students of class IX and X were sitting together due to dearth of classrooms.

The Department stated (May 2016) that steps would be taken to complete construction of infrastructure.

#### **2.1.8.2 Shortfall in strengthening of existing schools**

In order to address the infrastructural constraints of existing 4,594 secondary schools, RMSA scheme envisaged construction of additional classrooms to maintain classroom-pupil ratio at 1:40. Further, the scheme also envisaged to convert the existing school buildings to all weather resilient buildings, construction of headmaster's rooms, library, laboratory, toilets, etc. Accordingly, the Department prepared Annual Work Plan & Budget (AWP&B) for each year for the period 2009-15, indicating number of units (*i.e.* class room, laboratory, etc.) to be strengthened. **Appendix 2.1.2** indicates creation of various infrastructures as of March 2015. Audit noticed following deficiencies:

- OMSM had neither maintained year-wise achievement against targets nor put in place a monitoring mechanism to watch execution of works.
- In the State, 685 schools did not have all weather buildings; 2,468 schools did not have headmaster's room, six secondary schools were housed in tents, 59 schools did not have blackboard, 1,452 and 802 schools did not have boys' and girls' toilets respectively. Further, 1,114 schools did not have electricity connections.
- Out of 50 sample Government schools, 27 schools did not have sufficient classrooms, resulting in classroom-pupil ratio as high as 1:52 to 1:135. Further, 38 schools had no laboratory and in 21 schools, required equipment were not available in laboratories.



As per RMSA, the School Management and Development Committees (SMDC) were empowered to execute works up to the value of ₹ 30 lakh. But in 50 sampled schools, it was noticed that these SMDCs were not involved in

any of the construction works and these works were executed through Rural Development and Public Works Departments.

The Department stated (May 2016) that steps would be taken to complete construction of infrastructure.

### 2.1.8.3 Implementation of ICT@Schools

The objective of ICT@Schools was to provide computer aided education in all secondary and higher secondary schools. The GoI approved implementation of the scheme in 6,000 schools<sup>9</sup> in the State. The State Technical Committee recommended (December 2012) engagement of a technical consultant for implementation of the scheme through open selection process. However, the Department engaged (February 2013) Odisha Knowledge Corporation Limited (OKCL), a Special Purpose Vehicle formed (July 2011) by the State Government in collaboration with Maharashtra Knowledge Corporation Limited to provide IT enabled education and IT enabled services in the State, as the technical consultant on nomination basis to implement the scheme of ICT@Schools in 4,000 schools for a total cost of ₹ 790.12<sup>10</sup> crore. The scope of work included procurement of hardware and physical infrastructure on behalf of the Department, inspection and monitoring of implementation of the scheme, conducting initial teachers' training for ICT, procurement and or development of software application, e-content, etc. Apart from this, OKCL had to supply tablets with pre-installed e-content, give web-based training and provide e-books based on NCERT syllabus to all the teachers. As of 31 March 2016, OMSM paid a sum of ₹ 204.30 crore towards non-recurring expenditure to OKCL. In addition, accrued interest of ₹ 3.97 crore was also advanced to OKCL. Audit noticed the following:

- **Deficient e-Content:** As per the agreement, OKCL would develop e-contents for Class IX and X of 4,000 schools at unit cost of ₹ 45,000 per school aggregating to ₹ 18 crore. Further, the e-contents would be approved by the Department before installation in the master computers of the schools. However, OKCL installed the e-contents in all the schools without the approval of the Department. The Executive Committee (March 2015) of OMSM observed that the e-contents were deficient and decided to explore the possibility of procurement of e-contents from other reputed organisations. However, no further action was taken by the Department.
- **Supply of inferior quality computer tables:** The computer tables (44,317) valuing ₹ 8.34 crore provided by OKCL did not conform<sup>11</sup> to the prescribed specifications, as reported (June 2015) by the Technical Committee of OMSM. The Committee opined either to reject all the tables and replace them or to impose penalty on OKCL. Despite this, the tables were being utilised in the schools without any replacement.

<sup>9</sup> 2010-11: 4,000 schools and 2012-13: 2,000 schools

<sup>10</sup> Non-recurring expenditure towards supply of hardware and software (₹ 295.50 crore), development of e-content (₹ 18 crore), teachers training (₹ 21.60 crore), recurring expenditure towards consumables, electricity, internet, petrol/diesel, telephone charges, school co-ordinator salary (₹ 440.02 crore) and monitoring (₹ 15 crore)

<sup>11</sup> Leg frame was 1-inch square pipe against specification of 1.5 square inch

- **Ineffective ICT training:** As per the training module prescribed by the GoI, web based induction training in ICT was to be given once to the teachers for a period of 80 hours<sup>12</sup> followed by refresher course of 40 hours<sup>13</sup> each in succeeding years *i.e.* 240 hours in total. However, agreement with OKCL, provided only for induction training of 132 hours without provision for any refresher course. OKCL trained only 4,935 out of 24,555 teachers as of March 2016.
- **Non-supply of tablets to the teachers:** The agreement envisaged that OKCL would supply tablets to 40,000 teachers of 4,000 schools with pre-installed e-content and train them on its use. Since no timeframe was fixed for supply, OKCL was yet to supply the tablets as of March 2016 on the plea that the training was not fully completed. Audit also observed that OMSM had ordered 40,000 tablets when the number of teachers on roll were only 24,555. Thus the Department failed to project the actual requirement.

The Department while admitting (May 2016) the facts, stated that the matter would be looked into.

- **Deficiencies in the agreement:** Audit noticed the following deficiencies in the agreement entered by OMSM with OKCL.
  - There was no specific timeframe specified in the agreement for deliverables like completion of teachers training, supply of hardware and software, supply of tablets to the teachers, *etc.* As a result, all teachers were not trained in ICT programme and were not provided any tablets with built-in contents.
  - There were no penal clauses in the agreement for delay in supply and installation of hardware, software, maintenance of quality in e-content, failure to achieve the target of training of teachers, *etc.*, by OKCL. Due to this, no penal action could be taken by OMSM.
  - As per the agreement, OKCL had to develop a monitoring and inspection system for efficient functioning of the scheme like provision of first level supervision at schools, monitoring the schools through helpdesk to the users, learners, *etc.* But there was no role for OMSM or the Department to monitor the implementation of the scheme by OKCL.

Due to these deficiencies in the agreement, the interest of the State was not protected.

#### **2.1.8.4 Extra expenditure in construction of Girls' Hostel**

GoI introduced (2009-10) Girls' Hostel Scheme for setting up of hostels with lodging and boarding facilities in the Educationally Backward Blocks (EBBs) and areas near to the habitation of the target groups so that the girl students are not denied the opportunity of continuing their study due to societal factors. The GoI granted in-principle approval for construction of 130 girls' hostels

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<sup>12</sup> Eight hours per day for 10 days

<sup>13</sup> Eight hours per day for five days for every subsequent year

during the period 2009-11 at unit cost of ₹ 1.71 crore. The approval was subject to condition that Central share shall be released on submission of drawing/ design and estimate of the hostels in conformity with scheme guidelines.

Audit noticed that the drawing/ design and estimates furnished<sup>14</sup> by the State Government were not as per the scheme guidelines. GoI while approving (April 2014) the drawing/ design and estimates stipulated that the Central share shall be limited to the cost of construction as per Schedule of Rates (SOR) 2010-11 and any extra cost shall be borne by the State Government. GoI released ₹ 87.94 crore in July 2014 as first instalment. The State Government also released ₹ 9.77 crore. The Department executed the works through Rural Development (RD) Department at unit cost of ₹ 2.28 crore based on SOR 2013-14. Thus, due to preparation of improper drawing/ design and estimates, the State Government will have to bear an extra financial burden of ₹ 74.10 crore in construction of 130 hostels.

The Department stated (May 2016) that steps would be taken for early completion of hostels.

### 2.1.9 Quality aspects

#### 2.1.9.1 Training to teachers and management personnel

RMSA emphasised the necessity of continuously upgrading the quality of teachers through in-service education programmes. Accordingly, GoO prepared a subject-wise training module called 'SAMARTHYA' for teachers. Besides, RMSA also envisaged to sponsor other training programmes like induction training to newly recruited teachers, training to Headmasters, etc. The PAB approved 2,68,495<sup>15</sup> training slots for teaching staff and 1,68,936<sup>16</sup> training slots for management personnel during 2010-15. Audit noticed the following:

- Test check at sample schools revealed that training of 'SAMARTHYA' was imparted to only 299 teachers in 531 slots against allotted 1,389 slots.
- In 2010-11 and 2013-14, training slots for 60,689 and 4,612 respectively, for teachers were not utilised.
- Similarly, 1,68,936 training slots for management personnel were not utilised.

OMSM stated (February 2016) that inadequate training of teachers was due to shortage of manpower, lack of monitoring, inadequate expertise in assistances and improper dissemination in districts.

#### 2.1.10 Slow pace in achievement of targets

Visions of RMSA included universal access of secondary education by 2017 (Gross Enrolment Ratio (GER) of 100 *per cent*) and universal retention by 2020. The broad indicators of secondary education in the State before launching of RMSA and at the end of academic year 2014-15 are as follows:

<sup>14</sup> 16 August 2010, 2 March 2012 and 22 September 2012

<sup>15</sup> 2010-11: 60,689, 2011-12: 55,070, 2012-13: 54,051, 2013-14: 70,175 and 2014-15: 28,510

<sup>16</sup> 2011-12: 82,692, 2012-13: 86,184, 2013-14: 30 and 2014-15: 30

Table 2.1.5: Broad indicators of status of Secondary Education in the State

Year	GER	NER	Retention Rate
			(In per cent)
2009-10	59.89	40.39	79.03
2010-11	69.27	52.72	78.08
2011-12	77.43	64.18	83.56
2012-13	78.60	66.13	84.53
2013-14	78.70	65.00	83.51
2014-15	75.43	64.86	85.64

(Source: AWP&B 2015-16)

- GER, at the beginning of the implementation of RMSA (2009-10) was 59.89 which increased to 75.43 in 2014-15. However, three sample districts<sup>17</sup> registered GER ranging from 53.23 to 74, which were below the State average.
- Though NER increased from 40.39 in 2009-10 to 64.86 in 2014-15, there was a decreasing trend in last three years and four sample districts<sup>18</sup> were found below the State average in 2014-15.
- Similarly, the retention rate increased by 15.46 per cent during 2009-15 i.e. from 79.03 per cent in 2009-10 to 85.64 per cent in 2014-15 and the same was also inconsistent. Retention rates in five sample districts<sup>19</sup> ranged from 74.63 to 84.60 per cent which were below the State average.

### 2.1.11 Monitoring and supervision

Audit noticed following deficiencies in monitoring and supervision of implementation of RMSA and other subsumed schemes in the State:

- **Inadequate review by Governing Council and Executive Council:** As per the charter of OMSM, the Governing Council (GC) and the Executive Council (EC) are required to conduct minimum one and four meetings per annum respectively. During 2011-15, GC and EC conducted only two and four meetings respectively. In absence of regular meetings of GC, monitoring of various activities was not adequate.
- **Non-constitution of District Level Committees:** In seven out of eight sample districts, District Level Committees were not constituted though required under the provisions of Financial Management and Procurement Manual of RMSA. In absence of committees, the intended objective of monitoring progress in implementation of various measures under RMSA, efficient utilisation of funds, etc., could not be ensured.
- **Inadequate inspection by district/ block level officials:** Clause 9.2.3 of RMSA framework emphasised regular field visits/ inspections to ensure comprehensive and continuous assessment of the scheme. The S&ME Department spelt out (July 2013) job specifications of DEOs and BEOs as per which, a DEO was to inspect at least 10 schools per month, while BEO was to inspect all high schools within his

<sup>17</sup> Koraput (53.23), Rayagada (54.53) and Sundargarh (74)

<sup>18</sup> Koraput (46.68), Rayagada (45.45) Jajpur (60.14) and Sundargarh (63.72)

<sup>19</sup> Dhenkanal (83.33), Jajpur (77.82), Kendrapara (80.45), Sonapur (74.63) and Sundargarh (84.60)

jurisdiction. However, DEOs of eight sample districts conducted 979 inspections against requirement of 1,600 during 2013-15. Further, DEOs had no information about number of inspections conducted by BEOs.

- ***Inadequate functioning of School Management Development Committee (SMDC):*** As per provisions of RMSA guidelines, meeting of SMDC should be held frequently but not less than once in a fortnight. In 70 sample schools, 939 meetings (11 *per cent*) were conducted by SMDC as against requirement of 8,400 during 2010-15. Besides, sub-committees like, School Building Committee to monitor infrastructure and accounts matters and School Academic Committee to monitor academic activities were not constituted in any of the sampled schools.
- ***Inadequate Parent Teacher Association (PTA) meeting:*** Out of 1,400 secondary schools in eight sample districts, PTA was not constituted in 317 schools as of August 2015. In 70 test checked schools, PTA was constituted in 39 schools who met only 334 times during 2010-15 against requirement of 4,200 meetings. Thus, effectiveness of deliveries of the scheme was not assessed.
- ***Non-constitution of Grievance redressal cell:*** As per RMSA guidelines, the State Government was required to set up Grievance Redressal mechanism at State, district and school levels. However, no such cell was set up at any level as of March 2015. No records relating to receipt/ disposal of grievances were maintained.

The Department assured (May 2016) that steps would be taken to resolve the issues.

#### **2.1.12 Conclusion**

Preparatory work like formation of Core Group and conducting survey for assessing requirement of infrastructure was not done. No plan was made for implementation of Vocationalisation of Secondary Education and Inclusive Education for Disabled at Secondary Stage, leading to non-implementation of these schemes. The physical milestones approved by the Government of India could not be achieved even after six years of implementation, resulting in non-coverage of 3,167 habitations by secondary schools as of March 2015. Due to delay in creation of infrastructure, the class room-student ratio was higher than the norm of 1:40. In addition to that, students were deprived of facilities like laboratories, libraries, *etc.* Quality of education suffered due to non-recruitment of teachers. Deficient e-contents did not assure quality teaching to students. There was inadequate monitoring of implementation of the scheme at both district and State levels.

#### **2.1.13 Recommendation**

Government may consider the following recommendations.

- Prepare plan for implementation of Vocationalisation of Secondary Education and IEDSS for effective implementation of schemes.
- Take steps to cover the uncovered habitations.
- Improve infrastructure in the existing schools through timely completion of works.
- Recruitment of teaching and non-teaching staff should be made to improve quality of education.

**Electronics and Information Technology Department**

**2.2 Information Technology Audit on Implementation of Odisha Secretariat Workflow Automation System**

**Executive Summary**

*Government of Odisha implemented Odisha Secretariat Workflow Automation System (OSWAS), a workflow automation system at the State Secretariat, to bring in efficiency and effectiveness in its functioning. Even after six years of implementation, all envisaged core, common and department specific applications could not be developed.*

*OSWAS had weak management controls. Business Process Re-engineering was not conducted which created inefficiencies and inconsistencies in file management. Business Continuity and Disaster Recovery Plan was not framed. Odisha Computer Application Centre (OCAC) could not exercise adequate control over database administration activities.*

*The digital signature was partially implemented which failed to protect the integrity of notes created through OSWAS. OSWAS had design deficiencies like incomplete administrator interface, non-provision for transfer/ posting, ineffective session management, inconsistencies in reports and time-stamping, etc.*

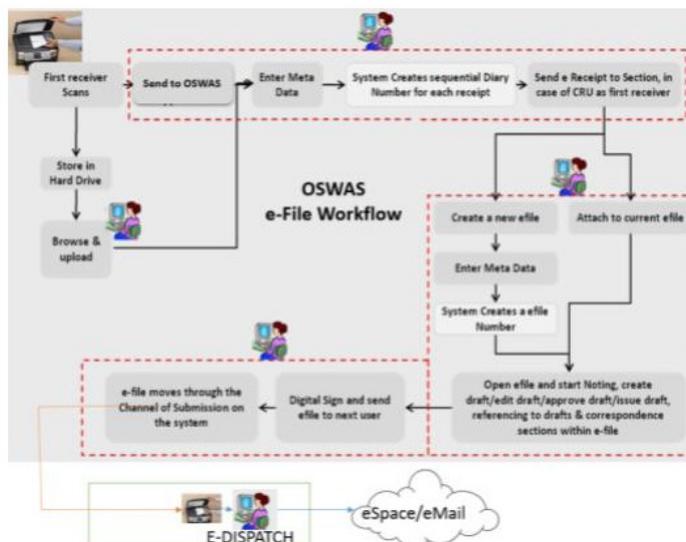
*Access controls were found inadequate in OSWAS as the files were accessible to any user irrespective of department, post and confidentiality. User management was given to the vendor without any control of OCAC. OSWAS used outdated platforms making Government business vulnerable. Several features in user interface were non-functional.*

*Usage of OSWAS was low, as 81 per cent of departments had created more than 50 per cent of files in physical form outside OSWAS. Training to users on core and common applications was inadequate.*

**2.2.1 Introduction**

Government decided (December 2007) to implement Odisha Secretariat Workflow Automation System (OSWAS) at the State Secretariat and engaged (September 2008) Tata Consultancy Services Limited (TCS) through open tender. The objective of the system is to tackle various issues like high proportion of establishment work, increasing number of files, prioritisation of files, multiple levels of processing, inter-departmental consultations, file tracing and tracking and maintaining large number of Acts and Regulations, orders, etc., at State Secretariat.

OSWAS was developed using Java in the front-end and Oracle database at the back-end. Oracle web-logic Server and Apache were used as application and web server respectively. It was deployed on the intranet of Secretariat *i.e.* SECLAN<sup>20</sup>, which has connectivity to all 40 departments as well as offices of Hon'ble Governor, Chief Minister and Chief Secretary.



During the period 2008-16, ₹ 28.01 crore was spent on OSWAS, which included the cost of hardware, system software, training, project monitoring (₹ 19.70 crore) and software application (₹ 8.31 crore). The project was implemented in phased manner since September 2008 by TCS.

### 2.2.2 Organisational set up

The Electronics and Information Technology (E&IT) Department of the State Government, headed by the Secretary, is responsible for implementing, maintaining, modifying, *etc.*, different computerised systems in the offices of the State Government. OCAC, headed by a Chairman, is the technical directorate of E&IT Department. OCAC is the nodal agency for implementation of OSWAS.

### 2.2.3 Audit objectives

The Information Technology Audit was conducted to assess whether:

- Planning, including system development process and procedures followed at various stages was robust;
- The system met the Government's objectives of office automation;
- Controls in Information Technology system were adequate and effective;
- Information Technology system security and Business Continuity issues were adequately addressed; and
- Monitoring and supervision was adequate and effective.

<sup>20</sup> Secretariat Local Area Network

## **2.2.4 Audit criteria**

IT Audit was conducted with reference to the following criteria:

- Technical documentation like user requirement specification (URS)/ software requirement specification (SRS)/ architecture/ manuals/ project plans/ system and database designs;
- Service Level Agreements (SLAs) and Request for Proposal (RFP) of OSWAS and other terms of agreement with the vendor;
- Information Technology (IT) Act, 2000 and subsequent amendments;
- e-Governance policies and standards; and
- Odisha Secretariat Instructions (OSI) and Odisha Government Rules of Business (OGRB).

## **2.2.5 Scope and methodology of Audit**

The implementation of OSWAS was examined across all departments through data analysis<sup>21</sup> using computer assisted audit techniques like IDEA/ SQL, assessment of applications on test server, user department responses and study of relevant records during November 2015 to January 2016. An entry conference was held with Principal Secretary on 24 August 2015. Exit conference with Principal Secretary, E&IT was held on 13 May 2016, where the audit observations were discussed. The views of the Department were considered and suitably incorporated in the Report.

## **Audit Findings**

### **General Controls**

#### **2.2.6 Release of payment deviating from Service Level Agreement**

As per Service Level Agreement (SLA) (September 2008) between OCAC and TCS, payments were to be made after successful completion of milestones and submission of deliverables. Ten core applications, 20 common applications and 99 department specific applications for 37 departments and Chief Minister's Office were to be developed by January 2010 as listed in *Appendix 2.2.1*. The common and department specific applications were to be set up on the functionalities of the core applications as per milestones (*Appendix 2.2.2*) specified in SLA. Audit noticed the following:

##### **2.2.6.1 Non-Development of applications under OSWAS**

Following applications were either not developed or not put to use till May 2016:

- One (e-mail) core application out of 10, was not developed as yet.

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<sup>21</sup> Incomplete OSWAS database dumps were provided to Audit on four occasions (20 June 2015, 29 June 2015, September 2015 and December 2015) before a complete set was furnished in January 2016

- Out of the 20 common applications, six<sup>22</sup> were not developed and 10<sup>23</sup> though developed, were found incomplete. The rest were used by some departments.
- None of the 99 department specific applications was developed.

OCAC stated (May 2016) that all applications have been developed except 50 department specific applications. During Exit conference, Principal Secretary instructed OCAC to show the e-mail module and six common applications to Audit, if developed. Accordingly, Audit re-examined (May 2016) the OSWAS but OCAC could not produce any evidence of development of one core and six common applications.

The Department stated (May 2016) that vendor's claim of doing assigned work is being sorted out.

#### 2.2.6.2 *Non-receipt of deliverables*

Request for proposal (RFP) and SLA required that OSWAS would support Secure Sockets Layer (SSL)<sup>24</sup>, biometric based access, e-mail and fax integration and bilingual interface. It also required that the source code of all applications of OSWAS along with necessary documentations would be shared with OCAC/ GoO. However, these key features and deliverables were not ensured, which led to the following:

- In absence of SSL, the password, personal notes, personal information of users and other confidential files were transmitted through the SECLAN in plain text and the transmissions were not secure.
- OSWAS had weak access control due to absence of biometric access control.
- In absence of e-mail and fax integration, the users have to print, scan, sign and send communication separately leading to unnecessary duplication of work and wastage of paper.
- Absence of local language *i.e.* Odia interface led to reduced user friendliness of OSWAS. It also failed in implementation of official language.
- In absence of delivery of source code along with database and application design documents, Government cannot engage other

<sup>22</sup> Expenditure management and tracking system; Process for introduction of Bills or Amendments in the Legislative Assembly; Application for Cabinet Memorandum; Tracking of Foreign travel; Request and processing for telephone facility; Knowledge based system for Government Rules/ Regulation/ Circulars/ Acts and advanced search facility

<sup>23</sup> RTI; Assembly questions; Application for management of CCRs/ ACR of different categories of officers; Monitoring of Government of India issues; Process for constitution and monitoring of committees; Application for vehicle management and fuel consumption; Processing of Public Accounts Committee queries; Application for training of employees; Audit assessment and appeal details; Asset management system

<sup>24</sup> Secure Sockets Layer is the standard security technology for establishing an encrypted link between a web server and a browser

vendors for up-gradation or further modification of OSWAS effectively, resulting in vendor lock-in.

OCAC released (as of March 2016) ₹ 8.31 crore out of ₹ 9.74 crore to TCS for software development, despite non-development of all core and common applications and without ensuring inclusion of key features in OSWAS.

The Department while accepting the fact, assured (May 2016) that efforts would be made to receive the deliverables, documentations and source code from the vendor.

### **2.2.7 Absence of Business Process Re-engineering**

As per RFP, the solution provider was to suggest necessary re-engineering of processes to enable adoption of the OSWAS. Programme Setup Team (PST) was also constituted (December 2008) consisting of officers of various departments to facilitate Business Process Re-engineering (BPR) before finalising the SRS. PST recommended (February 2009) suitable changes in the Odisha Secretariat Instructions as per the systems designed by TCS instead of customising OSWAS to suit prevalent manual system.

This recommendation was not carried out and Secretariat Level Implementation Committee (SLIC) decided (January 2013) to constitute a BPR committee comprising of officers from departments along with members from OCAC and TCS to finalise BPR based on the feedback from user departments. The said committee was to meet every fortnight for this. But, the BPR committee was not constituted during 2013-16 to take up the work.

Therefore, the Manual for Office Procedure, *i.e.* OSI was not updated to incorporate the changes in workflow processes suiting to new electronic environment. It was noticed that OSWAS was used without incorporating checks provided in OSI for ensuring accountability. Moreover, it also led to lack of uniformity in handling files across departments as discussed below:

- OSI requires insertion of signatures in file for accountability and authenticity. However, digital signature was not implemented for all file/ document users in OSWAS which led to accountability issues as discussed in **Paragraphs 2.2.9.1 and 2.2.9.3.**
- Data received from 26 out of 43 Departments/ organisational<sup>25</sup> units, revealed that only Rural Development Department maintained consistency in file keeping as all files were in electronic form. 25 other Departments/ units created 1,66,735 manual files and 92,035 electronic files during 2012-15. Departments were also maintaining files partly in manual and partly in electronic form, which resulted in bypassing of OSWAS. The scope for bypassing OSWAS would have been restricted, if BPR had been undertaken and the rules modified in OSI suitably.
- In absence of changes in business rules, other applications provided in OSWAS like management of Confidential Character Reports/ Annual

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<sup>25</sup> Other Departments including E&IT Department had not furnished the information

Confidential Reports, process for constitution and monitoring of committees, processing of Public Accounts Committee queries, grievance management system, audit assessment and appeal details system and asset management system were never put to use.

The Department accepted the observations and stated (May 2016) that BPR could not be done before implementation of OSWAS, due to which the processes had become complex. However, in future, BPR would be done before implementation of upgraded version of OSWAS.

### **2.2.8 Inadequate control over Database Administrator**

Database Administrator (DBA) is responsible for the performance, integrity and security of a database. DBA has the tools to establish controls over the database and the ability to override these controls. Therefore, Government must exercise close control over database administration through segregation of duties, supervisory review of access logs and activities and detective controls over the use of database tools. However, OSWAS had following deficiencies:

***Segregation of duties:*** Segregation of duties is essential to ensure that a single person is not responsible for diverse and critical functions in such a way that errors or misappropriations could occur and not be detected in a timely manner and in the normal course of business processes. Therefore, DBA should not be given other responsibilities like system administrator, help desk and data entry. But it was noticed that even after six years of implementation of OSWAS, the software developer TCS continued both as system administrator and DBA. It was also entrusted with user management, help desk and master data entry roles. Government did not even plan to build capacity to take over the database administration and user management of OSWAS inspite of requests from user departments like Revenue and Disaster Management Department.

As a result, OCAC allowed TCS to unauthorisedly access all types of files of Government of Odisha and even manipulate/ change notes in critical files as indicated in ***Paragraphs 2.2.9.1*** and ***Paragraph 2.2.9.3***. Even users were created and deleted unauthorisedly as discussed in ***Paragraph 2.2.17.3***.

***Inadequate compensating controls for DBA activities:*** Supervisor review of access logs and activities is essential to detect any suspicious activities of DBA or users. However, logs to track activity of Database Administrator of OSWAS were not enabled and any database vault system for OSWAS Oracle database in place to prevent unauthorised activity of data manipulation by DBA could not be activated. Further, OCAC did not conduct any supervisory review of OSWAS. Even third party audit as decided (January 2013) in SLIC meeting, was not conducted. As a result, unauthorised DBA activities remained undetected.

Besides, no compensating controls were provided such as DBA access and transaction logs, reconciliation with user department and exception reporting.

Audit could not recreate the actual transaction flow from point of origination to its existence on an updated file in absence of audit trail of DBA activities.

Further, the logs to capture the activity of the users in OSWAS database were kept in the same server within the control of TCS since a separate remote log server outside the control of the database administrator was not set up. As a result, even user transaction logs were modified as discussed in **Paragraph 2.2.9.2**.

Accepting the observations, the Department stated (May 2016) that OCAC would be strengthened and Government would create a core team to take over the data administration job of OSWAS.

## **2.2.9 Security controls**

### **2.2.9.1 Implementation of digital signature on file notes**

Government of Odisha introduced digital signature on note side of the Government files in OSWAS since critical, sensitive and important decisions were taken through the system. Digital Signature was to be provided as per Information Technology (IT) Act, 2000 to bring legal validity and accountability to the notings created through OSWAS.

- **Digital signature not made mandatory:** Government of Odisha decided (2013) to incorporate digital signature facility in OSWAS from Under Secretary level and above. However, only 242 digital signature certificates (DSCs) were procured against 686 officers<sup>26</sup> of Under Secretary and above level officers. However, only 205 DSCs were issued.

As use of digital signature was not made mandatory in OSWAS, even officers who were issued digital signature did not append it on all notes. Since June 2014<sup>27</sup>, out of 9,22,275 notes created in OSWAS, only 38,387 were digitally signed.

Further, 64 digital signature keys issued were not used even once. Thus, non-enforcement of digital signature on note side in OSWAS rendered the electronic files generated open to risk of alterations. Paragraph V-34 of OSI stipulated that when an officer agrees with the preceding note or recommendation he shall append his signature. However, marginal notes or notes to emphasise special points may be made. Details containing number of notings made at each level, number of notings digitally signed at each level and number of cases where preceding note was not digitally signed are given in **Table 2.2.1**.

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<sup>26</sup> Number of Officers from Under Secretary level and above were 686 as per Human Resource Management System data furnished to Audit

<sup>27</sup> Cut-off date has been taken as 1 June 2014

**Table 2.2.1: Post-wise status of digital signature in OSWAS file notings (since 1 June 2014)**

Sl. No.	Designation against which DSCs were issued	Total notes in OSWAS files	Total notes with digital signature	With previous notes having digital signature	With preceding note without digital signature
1.	Chief Secretary	8,611	1,369	784	585
2.	Secretary level officers and above	74,613	17,270	3,057	14,213
3.	Additional/ Special/ Joint Secretary level officers	1,11,279	10,623	1,446	9,177
4.	Deputy Secretary level officers	95,595	4,691	533	4,158
5.	Under Secretary level officers	51,102	4,434	247	4,187
	<b>Total</b>	<b>3,41,200</b>	<b>38,387</b>	<b>6,067</b>	<b>32,320</b>

(Source: OSWAS database)

In such scenario, if changes are made in previous notes by DBA/ insider/ other elements, the basis of decision taken in succeeding note cannot be ensured. Anomalies in notes *i.e.* deletion of notes, broken chronology, *etc.*, were noticed in audit, confirming the failure of controls in authentication of the users. Thus, the purpose of including digital signature for signing of the approvals on the file noting was defeated. The Department stated (May 2016) that digital signature would be made mandatory to enforce accountability.

- **Repudiation of Digital Signature:** Section 3 of IT Act, 2000 stipulates that the authentication of electronic record shall be effected through the use of asymmetric crypto system and hash function which envelop and transform the initial electronic record into another record. Further, it also stipulates that any person by use of a public key of the subscriber can verify the electronic record.

For digital signature on note side, form signer with four licenses was procured (March 2014) from TCS at a cost of ₹ 12.98 lakh. However, TCS did not incorporate asymmetric crypto system as hashing algorithm was not applied to the note contents. Instead, OSWAS stored the original note details in one table and digitally signed encrypted content in another table, which it verified by decrypting and comparing with the original content.

Further, analysis of database revealed that 38,944 notes<sup>28</sup> had been digitally signed by 141 officers of Secretariat. Test check of 643 OSWAS files revealed that 51 digitally signed notes pertaining to 40 files did not show verified signature on user screen. Further analysis revealed that these notes were modified after digital signature was applied. However, users could not be alerted of broken signature as nothing was displayed on the screen. Besides, there is no other provision through which users can verify the breach of their digital signatures. Thus, the digital signature process followed in OSWAS does not comply with IT Act, 2000.

<sup>28</sup> From May 2009 to December 2015

The table containing encrypted noting was tampered as it contained text 'null' in 35 occasions instead of encrypted value. It appeared that DBA had tested this type of manipulation in the backend in September and October 2014 when they changed four notings of Chief Secretary on 9 September 2014. Subsequently, 31 such notings were manipulated.

Database analysis also revealed 22 records containing encrypted value of noting without corresponding noting contents. This occurred because the note details were delinked from encrypted noting in the backend.

The integrity of digitally signed documents, thus, became doubtful as DBA log was also not maintained and other transaction logs were tampered with.

Admitting the inconsistencies, OCAC stated (May 2016) that TCS had been instructed to verify and rectify the inconsistencies and agreed to explore the possibility of making digital signature compliant with IT Act, 2000.

- ***Non-availability of digital signatures in the electronic PDF form:*** Section 5 of IT Act, 2000 stipulates that where any law provides that information or any other matter shall be authenticated by affixing the signature or any document should be signed or bear the signature of any person and such information or matter is authenticated by means of digital signature affixed in such manner as may be prescribed by the Central Government.

In case of providing files to external stakeholders such as judiciary, vigilance, audit, etc., PDF copies of files generated from OSWAS were required to contain digital signatures. But, OSWAS could not generate the PDF files with digital signatures even when the original digitally signed documents were available.

OCAC confirmed (April 2016) that PDF version of the file generated through OSWAS did not contain digital signature.

#### ***2.2.9.2 Unauthorised access of files and tampering of access logs***

The user accounts of Government employees (Users) are created in OSWAS to enable them to function in OSWAS. Login name and passwords are provided to users for securely accessing OSWAS. For monitoring unauthorised access, entry and exit time of each login session in OSWAS, a "transparency log" is displayed on the computer screen of the respective users for monitoring their login activities.

Audit found that the user accounts were accessed in 6,110 cases by DBA by passing login authentication without the knowledge of users. Audit analysis revealed that DBA unauthorisedly accessed OSWAS using the accounts of 1,308 users which included accounts of Chief Minister, Ministers, Chief Secretary and other Secretaries. In order to hide this unauthorised access from users, DBA also sanitised the transparency logs in the back end. Further, no system of supervision by Government was in place to detect the unauthorised

activities of DBA. The tampering of logs by DBA was a violation under Section 43<sup>29</sup> of IT Act, 2000. The Department stated (May 2016) that action would be taken to avoid such breach of system in future.

### 2.2.9.3 *Activity deletion from audit trail*

In OSWAS, file transactions like file approval, file sending, draft preparing and approving are captured in Audit trail table. Each activity on the file was identified by a consecutive serial number in order of operation carried out and as activity orders are numbered. Analysis of the database revealed gaps between two consecutive activity order numbers in three occasions. The missing activities were due to backend deletion of particular activities since the number of such occurrences was very small to indicate systemic error. Similarly, there were 12 gaps found in the note order indicating deletion of notes in the backend. The Department assured (May 2016) that action would be taken for preventing it in future.

### 2.2.10 Business Continuity and Disaster Management

Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) are to be implemented to resume the business within defined timeframe in case of disaster. Audit noticed the following deficiencies:

- ***Absence of BCP:*** BCP was not framed and adopted for OSWAS even after lapse of more than six years of implementation. In its absence, the staff/ users were unaware of the procedure to be followed in the event of disruption/ disaster. They were also not trained in preventing, mitigating and responding to emergency situations. Thus, emergency response, user recovery, contingency plan and crisis management activities were missing from OSWAS implementation.
- ***Absence of disaster recovery site:*** DRP was not in place for the Data Centre hosting OSWAS. Disaster Recovery site or alternate processing facility was not established. Critical Government processes/ functions were at a risk of disruption in the event of a disaster. The system, as a result, was prone to loss of data, applications, systems, documents, *etc.* Further, the environment controls in the Data Centre were poor as water/ moisture detector, early fire alarm system, smoke detectors, raised floor, adequate fire suppression systems were not found installed making the data center vulnerable to damage.
- ***Inadequate back-ups and restoration:*** The system provided a schedule for daily and monthly backups for applications and database. However, it was not produced to Audit. Backups were never tested in scheduled manner for recovery and restoration.

<sup>29</sup> Section 43(d) provided that if any person without permission of the owner or any other person who is in charge of a computer, computer system or computer network, damages or causes to be damaged any computer, computer system or computer network, data, computer database or any other programmes residing in such computer, computer system or computer network, he shall be liable to pay damages by way of compensation not exceeding one crore rupees to the person so affected

- **Inadequate preventive and detective controls for viruses:** OCAC did not take adequate preventive and detective controls for computer viruses as servers (Windows) were not found protected by antivirus software. Desktop antivirus system was found to have expired as on January 2016.

The Department stated (May 2016) that steps would be taken for framing Disaster Recovery/ Business Continuity Plans for OSWAS and maintaining environmental controls.

## **Application Controls**

### **2.2.11 Absence of administrative interface**

The architectural design of OSWAS provided for master data management, back up operation and maintenance, *etc.*, only through an administrative interface<sup>30</sup> to ensure database security of the system. Accordingly, TCS had developed an Admin user manual defining two types of administrators *i.e.* Super Admin and Departmental Admin. Super Admin would do jobs like maintaining holiday data, resetting password of users, creation of department, units, designations, *etc.*, whereas Departmental Admin would add/ edit employees, maintain hierarchy for file movement and create subjects for indexing files, *etc.* Since Super Admin had many privileges, it was to be managed by Government.

Audit noticed that the Departmental Admin interface was not developed. Instead, Super Admin interface was used by TCS to provide for functions of Department Administrative interface. As a result, departments could not add/ edit employees, manage hierarchy of file movement and create subjects for file indexing, *etc.*, by themselves. For these basic functions, Departments had to request TCS, leading to unnecessary delays.

It was further noticed that due to design flaws in the existing interface, functions like transfers, promotions, retirements, *etc.*, could not be handled properly by OSWAS. TCS often resorted to back-end changes for such functions as DBA, leading to several inconsistencies in the database. Design deficiency in managing Transfer and Postings in OSWAS is explained below:

- OSWAS users were mapped to units (posts) and access to files was attached to the same. As a result, on transfer of user to a new post (unit), the user was being mapped with the new unit and accordingly got access to all files attached to new post. If a unit remains unmapped, no one gets access to files attached to that unit. Audit analysis revealed that there were 338 records lying with unmapped posts for four months to more than three years without any action in OSWAS. Files were marked to such units (posts) even when there was no user to take action on such files. Similarly, there were 525 employees active in the OSWAS who were not attached to any unit (post).

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<sup>30</sup> Provision in the software to manage administrative functions *viz.* transfer postings of staff, addition of file subject, distribution of works among officers, addition of employees, *etc.*, through a dedicated screen

- In reality, there can be no post in a department without a user mapped to it. Even if someone holding the post retires or goes on leave, *etc.*, someone is always given the additional/ new charge. Such requirements were not inbuilt into OSWAS.

Thus, OSWAS did not ensure seamless transfer of responsibilities and authority when administrative routine events like superannuation, handing over charge, *etc.*, took place.

The Department stated (May 2016) that considering the importance of transfer and posting module and department specific administrative modules, steps would be taken to correct the deficiencies in OSWAS.

### **2.2.12 Inefficient sequence management**

#### **2.2.12.1 Gaps in inward diary number**

Chapter-IV-1 of the Odisha Secretariat Instructions provided that a diary register, which is a chronological register of correspondence received in a department, is to be maintained by diarist. Entries in the said register are to be consecutively numbered.

In OSWAS, diarist in charge of receiving all dak of the department captures the relevant details into the system *viz.* letter number, reference number, subject, description, received from, category, priority enclosures, *etc.*, of the dak. Subsequently, the scanned document of the dak is attached and the information is saved. The system automatically generates a unique dak number called diary number for further use in the system.

Data analysis of the inward registry of year 2015 in OSWAS revealed 488 cases of gaps in the diary number related to 43 organisational units (Departments, directorates, *etc.*). Audit could not ascertain whether diary numbers of the dak were deleted from the database or the serial number skipped due to technical error. Besides, mechanism to follow up the disposal of the dak after marking the same to the user was not in place.

The Department accepted (May 2016) the observation and assured that such deficiencies would be corrected.

#### **2.2.12.2 Gaps in user activity log sequence**

OSWAS has system to capture user logins, logouts and duration of a session in a table for security and accountability. A serial number is assigned to identify unique login session. As per OSWAS database design, the serial number is sequential with an interval of one.

Analysis of database in Audit revealed that 9,464 serial numbers were missing in the access logs indicating deletion of unauthorised access. This further indicated unauthorised access to files and an attempt to omit the trail as already discussed in *Paragraph 2.2.9.2*.

The Department accepted (May 2016) the observation and assured to rectify the defects.

### **2.2.13 Deficient timestamp management**

As per Architectural Design of OSWAS, two database servers were provided to function in a cluster for efficient database operations. Timestamp of both the database servers were to be synchronised for generation of various logs and trails in OSWAS. It was noticed that OSWAS maintained logs to capture login details, and updation of notes, changing or deleting the existing records, access of important files, *etc.*, in order to ensure security and accountability of data transactions. Actions on logins, notes, movement of files, audit trail, *etc.*, are supposed to happen in sequence and chronology as per the time of transactions.

Audit noticed inconsistent dates/ times in important tables like login track, notes, audit trail and job movement as given in **Table 2.2.2**.

**Table 2.2.2: Statement showing details of discrepancy in timestamp in vital tables**

Sl. No.	Description	Number of records where later transaction had earlier time			Total
		By less than 125 seconds	By more than 125 seconds	With maximum time gap	
1	Logs of Login Track	8,225	41,150	4 days	49,375
2	Notes	1,12,589	2,613	More than 3 months	1,15,202
3	File Movements	5,437	--	--	5,437
4	Audit Trail	68,880	--	--	68,880

*(Source: OSWAS database)*

Audit further noticed that:

- In 24,899 out of 16,81,588 cases in the login access logs, login time was greater than the logout time and
- There were 12,669 notes appeared to have been written before the files used by the concerned users.

The Department accepted (May 2016) the flaw noticed in OSWAS and assured rectification of the defect through the vendor.

### **2.2.14 Deficient session handling**

OSWAS was designed for multiple concurrent logins allowing the users to connect from multiple devices or browsers at the same time. For security, in case of multiple concurrent sessions, features such as notifying user of concurrent sessions, provision for sign out from all active sessions, alert to user for unusual login activity, provision for automatic session timeout are to be provided. However, OSWAS had no such features.

### 2.2.14.1 Inadequate login controls

Audit tested the application in simultaneous sessions and found that single document or draft could be changed<sup>31</sup> even after it had been finalised and had moved to next hierarchy in other session. Similarly, the correspondence attached in file in one session could be deleted or changed in other concurrent sessions. This undermined the integrity of file security and also gave rise to problems of traceability of such unauthorised activities as logs of such activities were not maintained and hence non-repudiation could not be ensured.

### 2.2.14.2 Abnormal concurrent logins

Further analysis revealed that in 1,420 cases, the users were found operating 2 to 30 sessions simultaneously from same computer (IP). Similarly, users were also found to have concurrent logins from different computers in 86 occasions. Each such occasion had two to three simultaneous logins. As the transactions made in the database were not identified by session identity numbers, accountability could not be enforced on such transactions.

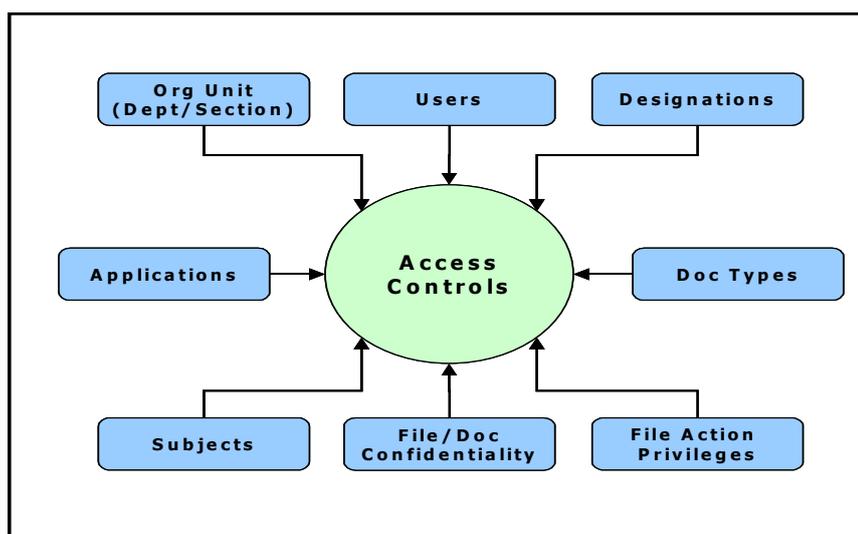
### 2.2.14.3 Incorrect recording of logout time

There were 465 file noting activities in respect of 45 users where the user was not even logged in as per logs. This occurred due to design flaw in the system. In case of user inactivity or abrupt session termination, the system should record log out time to ensure proper session control. But such controls were not properly designed in OSWAS.

The Department accepted the observations and assured (May 2016) that adequate application controls would be enforced.

### 2.2.15 Application design – lack of access control provision

As per design documents, user could access and work in OSWAS only if eight parameters given in the following diagram, were fulfilled.



<sup>31</sup> As an instance, the draft can be replaced/ changed by an Assistant Section Officer, even after it has moved to various levels like Desk Officer, Under Secretary, Deputy Secretary, Additional Secretary, etc., without anyone's knowledge. The draft link on the note side in MS Word format could be manipulated by any level even after approval of the draft

However, testing of the application revealed that such access controls were absent. OSWAS users had access to all files in OSWAS irrespective of his or her privilege by simply changing the website address in the browser. For example, dealing assistant of E&IT Department can access files of General Administration department. In addition to unauthorised viewing of files, one can also add or delete correspondence, modify drafts and even delete attached references in the notes in files lying at any level. This occurred due to weak access controls both in database and application level in addition to non-deployment of SSL as discussed in *Paragraph 2.2.6.2*. Further, no log of such activity was maintained. The Department accepted the design flaw and stated (May 2016) that steps would be taken to correct the deficiencies.

## **2.2.16 Lack of accountability on users**

### **2.2.16.1 *Different employees created note and record***

OSWAS application was designed to send files from one user to another. In this process, the application creates a blank record against a user to whom the file was sent for recording his notings thereon.

It was noticed that OSWAS failed to account for any new user while transacting in a note created by another user who was already transferred from the Department or unit, thereby weakening the accountability of users. Analysis of database revealed that there were 44,239 notes shown written against the employee who had actually not written those notes. All these instances happened during transfer of employees from one department to another or one post to another. The increasing trend in such discrepancies ranged from 30 in 2009 to 16,750 in 2014. None of the users had noticed this problem because name of user was not displayed against the note. This, further created inconsistencies in reports as detailed below:

- The designation displayed against the employee who created the notes differed from that of the tabular pendency report.
- The name shown in the note side of a note differed from that of the name shown in the graphical pendency report.
- The department shown against names in the tabular report was null in many cases where as the same was available in the notes.

The Department accepted (May 2016) the comment and assured rectification of the defect.

### **2.2.16.2 *Notes against employees not available in employee data***

Database analysis revealed that 31,027 notes did not display the name of 256 officers who created the note(s) resulting in lack of accountability. This occurred because the employee details records were deleted/ delinked in the back end from employee master table in the process of reconfiguration of those departments. The Department stated (May 2016) that steps would be taken to correct such deficiencies.

## 2.2.17 Input and validation controls

### 2.2.17.1 *Inconsistent note created time*

The process of preparing content of the file noting and saving in OSWAS involves sufficient user activity and time. Thus, the noting timestamp of a file created at different levels in hierarchy of workflow cannot be same in a file and also should strictly be in chronologically ascending order. Further, it is practically impossible to have multiple notes created by the same user at same time.

Data analysis revealed that there were 934 files where the timestamp of notes in files at more than one level were exactly<sup>32</sup> the same. The number of such notes with same time ranged from 2 to 18. Similar exceptions were noticed in margin notes of 8,663 documents. Further, it was noticed that in 679 files and 6,764 documents, one user was found to have created multiple notes at the same time. This occurred due to defective design and lack of control in OSWAS which allowed such inconsistent data in the database. The Department stated (May 2016) that such exceptions were due to problems in OSWAS and assured that the shortcomings would be corrected.

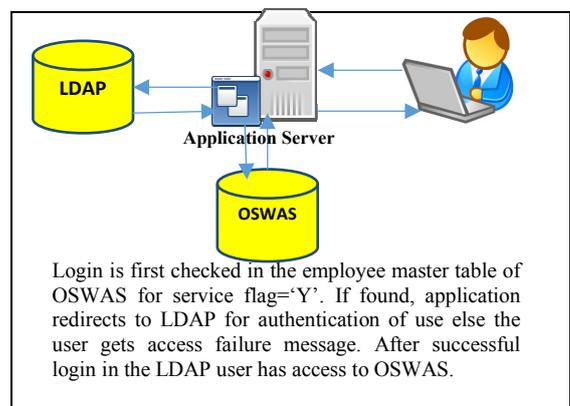
### 2.2.17.2 *Deletion of document metadata*

All documents in OSWAS have metadata which is stored in a document master table. The document itself is stored in document container table. Consequently, metadata of all documents in the document container table should be available in the document master table.

Audit noticed that there were 563 documents in the document container table without any corresponding record in the document master table. This indicated that the metadata of these documents were deleted from the database which resulted in disintegrated data set. The Department accepted the observation and assured (May 2016) that the system would be strengthened to avoid such inconsistency in future.

### 2.2.17.3 *Inefficient user management*

A separate server named Lightweight Directory Access Protocol (LDAP) server was used in OSWAS for authentication of user's login. The server stored username, password, employee ID, etc. Employee master table in OSWAS database had all employee details except password. Whenever a user tried

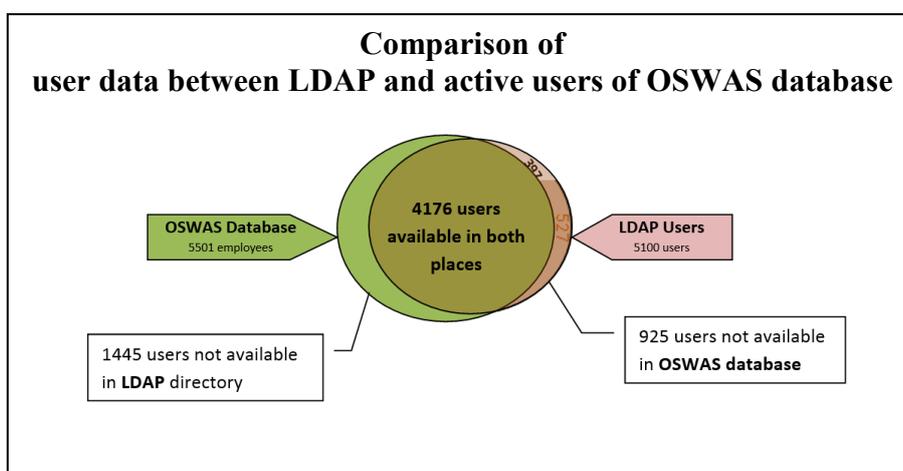


to access OSWAS, the user name was checked in the employee master of OSWAS database for availability and status. If found in service, the username and password were sent to LDAP for authentication and when login was

<sup>32</sup> Up to a second of creation

successful in LDAP server, the user was allowed to access OSWAS and his access control was managed through defined roles. Same users were to be available in OSWAS and LDAP servers since both databases complement the authentication process for the user accessing OSWAS. Audit, however, noticed discrepancies of user data between these two data sets as follows:

- **Discrepancy of user data in LDAP and OSWAS database:** Audit noticed that OSWAS database contained 7,205 users out of which 5,501 were active and LDAP server contained 5,101 users. Audit compared both the datasets and found that only 4,176 users were common in both. Thus, 2,104 users in OSWAS database were not linked to the LDAP server due to absence of input control. It was found that 925 users created in LDAP were deleted from the OSWAS database and reasons for such deletions were not found on record.



- **Same Login issued to two different employees:** For accountability of transactions, each user should have a single distinct login name. But analysis revealed that 15 login names were allotted to 30 different users.

Further, analysis of database revealed that login names were re-allotted to different users after transfer of the persons. For instance, the login name allotted to Excise Minister was allotted to another Minister on his taking charge of the portfolio. Subsequently, on change of portfolio, the same login name was again allotted to another Minister currently holding the portfolio. The login name should be person specific to ensure responsibility. But in this case, same login name was used by three different users.

The Department assured (May 2016) that the deficiencies in the system would be rectified.

#### **2.2.17.4 Incomplete user profile – exposed OSWAS to unauthorised use**

As per industry's best practice, there should be robust password policy *i.e.* password expiry, automatic account termination on termination of service, rules for frequent changing of password, complexity of passwords, *etc.*, in order to secure the application usage.

Analysis of database revealed that there were 1,723 user accounts where the password expiry date was not available. Thus, password expiry policy was not enforced. Further, the date of birth field was blank in case of 4,041 out of 5,501 active users. Using Date of Birth column, automatic disabling of accounts of the user on retirement was not enforced. It was also noticed that 635 transactions in various tables against 38 users were present in the database after the accounts of these users were deactivated and the passwords expired.

The Department accepted (May 2016) the observations and assured that steps would be taken to make good such deficiencies.

### **2.2.18 Database Redundancy**

As per the best practice, the databases of IT systems need to be properly designed to ensure reliability and optimum performance by controlling data redundancy and ensuring consistency. Ideally, there should be one repository of document files/ images/ PDF files, *etc.*, for easy access by multiple users, using document key identification link namely primary key. But, in OSWAS, this aspect was found absent. This resulted in unnecessary increase of database size providing scope for data inconsistency.

#### **2.2.18.1 Inefficient document management**

Database analysis revealed that a single document (Dak) marked to more than one seat or department had been stored in multiple records in the database. For instance, letter No. 'U.O.I. No 630/ACS Rev. & D.M.' dated 21 June 2014 was found marked to various departments/ units, stored in 484 locations. This increased the requirement of storage space by 483 times.

In respect of 27,376 documents (size of 22.7 GB) (which include 25,670 dak receipts from e-despatch system), data redundancy was noticed 99,197 times resulting in unnecessary increase of storage space by 60 GB. Such inefficient maintenance of storage would adversely impact the performance of database of OSWAS.

The Department accepted (May 2016) the observation and assured that corrective action would be taken.

#### **2.2.18.2 Integration of e-Despatch and OSWAS**

The OSWAS was developed by OCAC without dak despatch system. However, e-Despatch system, developed on different platforms<sup>33</sup>, was later implemented for dak despatch to field offices in the State. On technical advice of OCAC, E&IT Department decided to integrate e-Despatch with OSWAS.

For the said integration, a separate (Intermediary) server was set up to connect both systems with provision to store letters for sharing. Diarists were required to use OSWAS interface to receive and despatch letters through e-Despatch server. Thus, three sets of same data in three different locations *i.e.* e-Despatch

<sup>33</sup> e-Despatch was developed on dot net (.NET) framework with Asp.net as front-end and MS SQL Server being the database system with Internet Information System (IIS) being the web server

system, intermediary server and OSWAS were generated. Analysis of OSWAS for receipt and despatch of letters through the server revealed the following.

- **Receiving of letters:** Out of 1,63,106 letters pertaining to 28 departments, only 88,670 letters were received into OSWAS and remaining 74,436 letters<sup>34</sup> were still lying in the intermediary server.
- **Despatch of letters:** Despatch of letters of OSWAS through e-Despatch was not functional in any of the departments due to lack of support for digital signature in e-Despatch and absence of common system for centralised generation of outward letter numbers as per Odisha Secretariat Instruction Manual.

The user departments stated that unprocessed letters lying in intermediary server were already received by post or downloaded from e-Despatch website and processed into OSWAS using manual scanning process. However, for despatch of letters, users had to generate ink signed hardcopy of the letters and send to despatch section where the letters were scanned again into e-Despatch system. Due to lack of manpower, facility of integration of receiving letters remained unused. Thus, integration of systems failed to meet the objective of avoiding duplication of work and redundancy of hardware/ software. Further no assurance can be given that all letters had been disposed in a desired manner.

The Department stated (May 2016) that the integration between OSWAS and e-Despatch would be strengthened.

### **2.2.19 Incomplete Leave Processing System**

Leave Processing System (LPS) was implemented in the Odisha Secretariat as a common application of OSWAS. LPS was implemented in all the departments but was found configured only for 2,017 out of 7,205 users. Audit observed that TCS developed an incomplete application without required integration with core applications which gave rise to several deficiencies as discussed below.

- **Non-linking of Departmental hierarchy with LPS:** Database analysis revealed that 128 employees were not correctly linked to their approving officer, but linked to officers outside their department. Due to this, 13 employees had applied for leave on 43 occasions but their leave application could not be approved in OSWAS. Non-linking of LPS with proper departmental hierarchy resulted in ineffective handling of leave applications.
- **Incorrect leave balance:** Database analysis revealed inaccuracies in the leave accounts of 813 cases. Therefore, the departments had to depend upon the manual system for approving the leave as usual and had to duplicate their work in feeding the leave data online, thereby

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<sup>34</sup> 4,294 letters of 2013, 34,459 of 2014 and 35,683 of 2015 were pending for processing in OSWAS

defeating the objective to have an efficient and effective common application.

- ***Incorrect balance closing system:*** Leaves like casual leave, optional leave, *etc.*, are closed annually, whereas leaves like earned leave, half pay leave, *etc.*, are to be closed every half year with credit of 15 or 10 days respectively, added to closing balances. Database analysis, however, revealed that there was no such provision of preserving half-yearly balance in the database through which leave ledger account of EL and HPL could not be generated.
- ***Lack of Business Process Re-engineering:*** Like other applications, there was no Business Process Re-engineering done for the Leave Processing System. The Leave Rules of Government of Odisha were not mapped to the Leave Processing System under OSWAS as the leave types defined in LPS did not include leaves like leave not due, special casual leave, child care leave, study leave, special disability leave, quarantine leave, *etc.* Similarly, rules for proportionate credit of leave in earned leave account in case of employees availing half pay leave/ extra ordinary leave, advance credit of half pay leave/ earned leave were not found mapped in the design of LPS.

Due to deficiency of LPS, even though deployed and implemented under OSWAS, the departments had to maintain the manual system of leave account, thereby maintaining another set of leave data in electronic form without use.

The Department stated (May 2016) that deficient leave processing system was due to inadequate need assessment study and due to absence of BPR. It assured that steps would be taken to design the system as per relevant rules of Government.

## **2.2.20 Monitoring and evaluation**

### **2.2.20.1 Security audit recommendation**

Based on a decision in meeting (January 2012) of Secretariat level Implementation Committee on OSWAS for hosting OSWAS in State Data Centre, OCAC conducted (March-June 2015) Security Audit of OSWAS through cert-in<sup>35</sup> empaneled security auditor. The Security Auditor conducted the audit (March 2015) and pointed out four vulnerabilities *viz.* (i) User credentials are sent in clear text, (ii) Default credentials for admin accounts, (iii) Insecure Hypertext Transfer Protocol (HTTP) methods enabled and (iv) Information disclosure through HTTP header. The security auditor issued (June 2015) security clearance certificate after re-assessment (June 2015) of OSWAS for the vulnerabilities pointed out earlier and declared the site safe for hosting. The vulnerabilities were fixed only temporarily by TCS and when audit tested OSWAS in January 2016, all four vulnerabilities still existed.

<sup>35</sup> Indian Computer Emergency Response Team, Department of Technology, Government of India

The Department accepted (May 2016) the non-implementation of security audit recommendations and assured that the same would be implemented.

#### **2.2.20.2 Technical obsolescence and poor interface functionality in OSWAS**

Applications updated with latest versions of the environments provide security by protection from common vulnerabilities and exposures already detected, besides performance enhancements assurances.

- **Older Java version:** OSWAS is only compatible with the older version of Java<sup>36</sup> platform as TCS implemented OSWAS by customising the software developed for Government of Gujarat during 2005-07. It does not allow upgradation to latest versions<sup>37</sup> of Java platforms. Older Java has several common vulnerabilities and exposures (CVEs) which makes the system prone to attacks as it allows remote and local attackers to affect confidentiality, integrity and availability. Besides, security benefits associated with subsequent releases could also not be ensured leading OSWAS to technical obsolescence and prone to risks.
- **Cross browser compatibility:** As per RFP, OSWAS should be based on web based multi-tiered architecture and the end user interface must be browser independent. Request was also made from Departmental heads to make OSWAS browser independent to enable them to use OSWAS on tablets/ ipads, etc.

But it was noticed that OSWAS was dependent on one browser (Internet explorer) for its full functionality. Assessment of OSWAS in different popular browsers revealed that due to absence of compatibility features of OSWAS, various features remained non-functional in different browsers.

- **Poor navigation features:** Audit noticed that there were unnecessary non-functional menu and navigation links in OSWAS. Besides navigations in the OSWAS application which deteriorates user experience as stated below:
  - In home page, the link “Common Application” directs the screen to another index page (showing horizontal tabbed links to personal, common applications, budget and departmental applications) and not directly to Common Applications. The Index page hosting tabbed links were also not functional.
  - Excessive use of pop-ups in the application was unnecessary.
  - Dashboard screen displayed with iconic view contains links like UC monitoring, budget, Court cases and leave which were non-functional.
  - Link for EDN and Department specific applications were defunct.

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<sup>36</sup> JRE version 6 (1.6.0.25 /6u25)

<sup>37</sup> JRE with version 8

- Site map was not available for providing the navigation structure guide due to the fact that a consistent pattern was not used in the navigation system of OSWAS.
- **Non-functional editing features in note side text editor:** OSWAS provided Rich Text editor on the note side for word processing of the note content of the files/ Daks/ incoming correspondences with various text editing features including font size, font color, background color, hyper linking, indentations, cut-copy-paste, bulleting/ numbering, bold/ italic/ underline, spell check, *etc.* On assessment of the said feature in OSWAS, it was found that the text editor embedded was functioning improperly and was not user friendly as detailed below.
  - The font size feature was not working dynamically as per value of the font size and the desired font style was not effected while typing in the editor.
  - The spell check facility was poorly designed as the word in the pop up was not highlighted in the editor for easy checking and assessment of sentence and there was no provision to add new frequently used words in the dictionary.
  - Linking facility was not working properly as the same replaced the text selected with the file name and website name in the editor instead of creating a link on them, *i.e.* a link created on text “ABCD” for www.google.com, deleted the ABCD text and inserted www.google.com.

In absence of proper functioning of the features in the said editor, they were not used in OSWAS. Similarly, the Work list rules provided in the menu were found non-functional. OCAC should have ensured the working functionality of these features, before releasing the payments.

The Department admitted (May 2016) the technical obsolescence and poor functionality of OSWAS and assured that platforms would be upgraded.

### 2.2.20.3 *Inadequate usage of OSWAS*

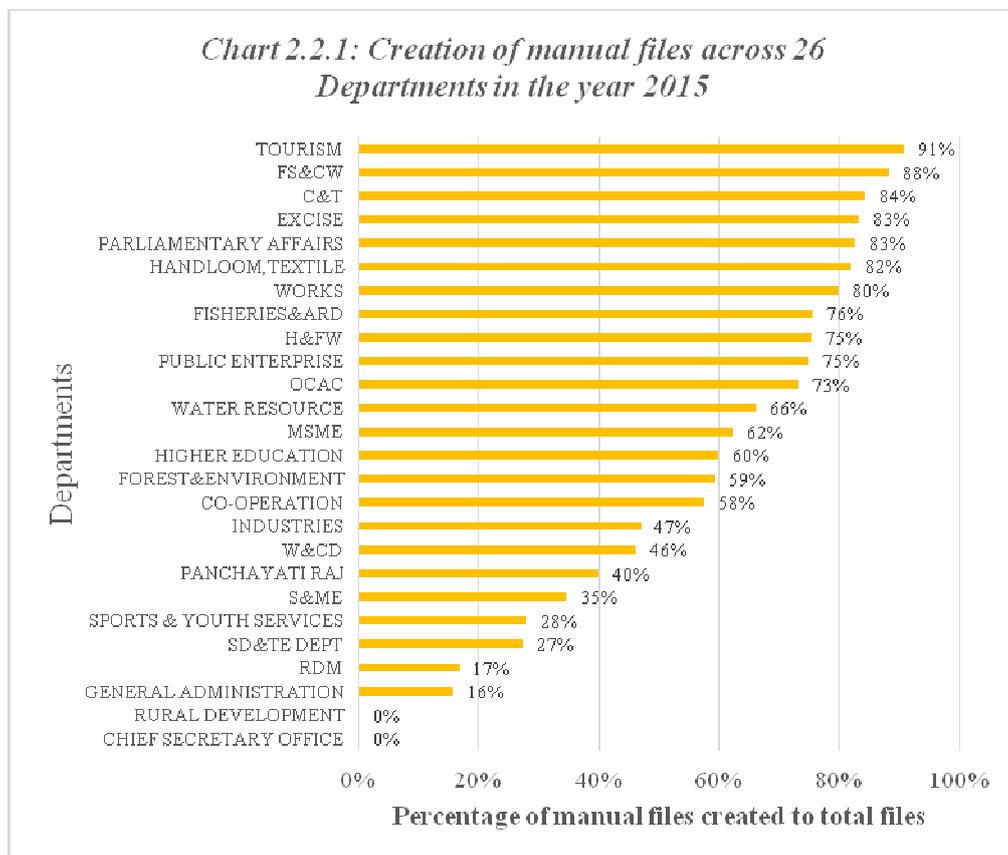
The key objectives of OSWAS were office Automation, enhancing productivity, using Information Technology as an enabler to help in daily work, an efficient workplace, access controls at all levels and efficient and transparent administration. Audit assessed the usage of OSWAS by 26 out of 43<sup>38</sup> (May 2016) user departments which furnished data (2012-15). 15 Departments and two offices including E&IT Department had not furnished the information even after repeated persuasion. The audit findings are as follows:

- **Creation and movement of manual files:** Audit noticed that movement of manual files in 8 out of 26 departments had reduced

<sup>38</sup> Departments in OSWAS include 39 departments and four offices *i.e.* Chief Secretary Office, Chief Minister’s Office, OCAC and Hon’ble Governor’s Office

during 2014-15, but the same was found to have increased during the period in other 11 departments as depicted in *Appendix 2.2.3*.

Usage of OSWAS for file management varied hugely across departments. Percentage of creation of manual files to the total files created in the year 2015 in 26 departments is given in *Chart 2.2.1*.



Audit noticed that creation of manual files in 13 out of 26 departments continued on an increasing trend during 2012-15, despite providing OSWAS login credentials to all users of these departments. During 2015, 81 *per cent* (21 out of 26) departments created more than 50 *per cent* of manual files outside OSWAS. The trend of creation of files in these departments is given in *Appendix 2.2.3*. Decrease in trend of manual files was noticed only in case of nine departments. Only Rural Development Department and Chief Secretary's Office did not create any manual file.

Some departments stated that handling of confidential files, files processed for referral departments, legal files, *etc.*, would be easy manually. OCAC never assessed the reasons for lack of confidence among the user departments while handling such files. OCAC, the nodal agency itself had bypassed the application as it created 258 (73 *per cent*) manual files out of total 352 files, created during 2015.

- **Poor usage of core and common applications:** Out of 28 common applications<sup>39</sup>, only two to six were being used in 26 departments. The most commonly used application was LPS which was also found deficient as discussed in **Paragraph 2.2.19**.

Out of 10 core applications, seven to eight are being used in 26 test checked department whereas SMS, time-analysis and appointment scheduler was not being used in any of the departments.

- **Inadequate training:** As per SLA of OSWAS, OCAC was responsible for identifying the core team and the trainers to be trained and provide the necessary inputs to TCS for preparing the training plan. TCS was entrusted with responsibility of conducting training and also to conduct project specific training for users in the customised software. Audit found that in 26 user departments, 104 out of 260 trainings for core applications and 482 out of 520 trainings for common applications were not provided (January 2016) as detailed in **Appendix 2.2.4**. Training on customised software was also not conducted.

The Department accepted (May 2016) the inadequate usage pattern and assured that steps would be taken for time bound phasing out of physical files.

### 2.2.21 Conclusion

Odisha Secretariat Workflow Automation System (OSWAS) was implemented by Government of Odisha to bring in efficiency and effectiveness in the functioning of State Secretariat. However, OSWAS failed to achieve its objective even after six years of implementation. All the applications of OSWAS were not implemented so far. Only one department is using OSWAS fully and others are using it partially. OSWAS had weak management controls as payment was released without ensuring deliverables, conducting business process re-engineering and framing Business Continuity Plan. OCAC did not exercise adequate control over Database Administration activities. The applications of OSWAS had design deficiencies like incomplete administrator interface, non-provision of transfer/ posting, ineffective session management, time-stamp inconsistencies, *etc.* This resulted in inefficiency in the workflow of the Secretariat. Access control was found inadequate in OSWAS as the files were available to everybody irrespective of department, post and privilege. Due to improper design and non-implementation of secured sockets layer authentication system, security of the system was weak. Lack of normalisation resulted in unnecessary increase in size of database which affected the performance of OSWAS. The digital signature was partially implemented which failed to protect the integrity of notes. Leave Processing System was found to be incomplete. Usage of OSWAS was low as 81 *per cent* of departments had created more than 50 *per cent* of files, bypassing OSWAS.

<sup>39</sup> As per SLA, 20 Common applications for departmental use. Eight common applications identified in RFP as employee specific

### **2.2.22 Recommendations**

- Business Processes should be reviewed to suit the legal requirement and Odisha Secretariat Instructions should be modified accordingly.
- All deliverables from the vendor as per Service Level Agreement may be ensured.
- Proper documentation like database design, application design and system design documents may be prepared along with transferring of source code to Government to avoid excessive dependence on vendor support in maintenance of OSWAS.
- OCAC may be strengthened to take up jobs of database administration, database maintenance, system administration, *etc.*, with due segregation of duties to ensure security of IT systems.
- Business Continuity Plan and Disaster Recovery mechanism for OSWAS should be put in place.
- Periodic third party audits should be conducted to ensure confidentiality, integrity and availability of information in OSWAS.
- Appropriate input and validation controls along with adequate access control mechanism and enforcement of digital signature as per Information Technology Act should be provided.

# Chapter III

## Compliance Audit

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## Chapter III Compliance Audit

### Planning and Convergence Department

#### 3.1 Implementation of Biju Kandhamal O Gajapati Yojana

Government of Odisha launched a Special Area Development initiative called 'Biju Kandhamal O Gajapati Yojana' (BKGY) in 2009-10 for Kandhamal and Gajapati districts. The scheme is implemented by the Planning and Convergence (P&C) Department through the District Collectors with the assistance of Block Development Officers (BDOs) and other executing agencies. During 2011-15, the Government released ₹ 114 crore<sup>1</sup> to both districts and 2,289 projects<sup>2</sup> were approved.

Audit was conducted during November 2015 to January 2016 covering the period 2011-15 with test check of records of District Planning and Monitoring Units (DPMU) and District Rural Development Agencies (DRDAs) of both districts, six sampled Blocks<sup>3</sup> and five other executing agencies<sup>4</sup> (EAs). The audit findings are as follows:

#### Audit Findings

##### 3.1.1 Planning and identification of projects

Guidelines (November 2009) of the BKGY required preparation of a comprehensive district plan by the District Collectors incorporating projects under five core sectors (*bijli, sadak, pani*, livelihood initiatives and social safety net). Annual Action Plans (AAP) were to be prepared by District Collector and the same were to be approved by District Planning Committee. Number of projects approved, outlay and status of completion of projects under various sectors is given in the **Table 3.1.1**.

**Table 3.1.1: Annual Action Plan and execution of projects during 2011-15**

(₹ in lakh)

Sector	Approved in Action Plan		Taken up during 2011-15		Completed as of March 2015
	Number	Outlay	Number	Expenditure	Number
Bijli	110	329.53	80	199.98	52
Sadak	1,176	6,271.55	1,092	3,444.12	645
Pani	497	3,157.10	459	1,910.12	311
Livelihood initiative	99	748.27	89	218.27	38

<sup>1</sup> At a rate of ₹ 1.50 crore per block per year. Kandhamal (12 Blocks): ₹ 18 crore and Gajapati (7 Blocks): ₹ 10.50 crore per annum

<sup>2</sup> Kandhamal: 1,569 and Gajapati: 720

<sup>3</sup> Kandhamal: Phulbani, Khajuripada and Phiringia; Gajapati: Gumma, Gosani and Mohana

<sup>4</sup> Kandhamal: Project Administrator, Integrated Tribal Development Agency, Balliguda; Rural Water Supply and Sanitation Division, Phulbani and Rural Works Division, Phulbani; Gajapati: Rural Water Supply and Sanitation Division, Paralakhemundi and Project Officer, Orissa Tribal Empowerment and Livelihood Programme, Paralakhemundi

Sector	Approved in Action Plan		Taken up during 2011-15		Completed as of March 2015
	Number	Outlay	Number	Expenditure	Number
Social safety net	0	0	0	0	0
Others	407	893.55	399	564.67	364
<b>Total</b>	<b>2,289</b>	<b>11,400.00</b>	<b>2,119</b>	<b>6,337.16</b>	<b>1,410</b>

*(Source: Records of DPMU/ DRDAs and audit analysis)*

The deficiencies in planning are discussed below:

### **3.1.1.1 Non-Preparation of Comprehensive Plan**

Comprehensive District Plan was not formulated in both the districts using the baseline data and gap analysis, though required as per the BKG Y guidelines. As a result, approved projects failed to meet the requirements of different sectors as given below:

- **Electricity (Bijli):** Out of 3,870 villages of these two districts, 732 villages (Gajapati: 201 and Kandhamal: 531) were not totally electrified as of August 2013 as they were not covered under Biju Gram Jyoti Yojana and Rajiv Gandhi Grameen Vidyutikaran Yojana. But, no project for village electrification was sanctioned during 2011-15 in both districts under BKG Y. On the other hand, 110 low value projects like internal wiring of schools, Gram Panchayat offices, street lighting, purchase of air conditioners for Seva Kendra, etc., were approved. Thus, 732 villages are yet to be electrified due to non-prioritisation of projects for electricity.
- **Road (Sadak):** In both the districts, 63 villages<sup>5</sup>, left out from Pradhan Mantri Gram Sadak Yojana, were not having any all-weather road connectivity by March 2015. No project to provide road connectivity to these unconnected villages was approved in AAPs for 2011-15 under BKG Y. On the other hand, works estimated at ₹ 62.71 crore like construction of cross drainage and improvement of roads within villages/ habitations already provided with all-weather connectivity were taken up under the scheme without prioritising road connectivity to 63 villages.
- **Livelihood initiatives:** No initiative was taken up under livelihood initiative in Kandhamal district. In Gajapati district, projects worth ₹ 7.48 crore were included in AAPs for 2011-15 under livelihood sector. Out of this, an amount of ₹ 4.16 crore was released to one sample executing agency<sup>6</sup> for capacity building, community empowerment<sup>7</sup>, commercial vegetable cultivation<sup>8</sup>, etc., during 2013-15.

<sup>5</sup> Between 250 and 499 population: 57, between 500 and 999: 5 and 1,000 or more population: 1

<sup>6</sup> Programme Officer, Odisha Tribal Empowerment and Livelihood Programme

<sup>7</sup> Community empowerment and management, beneficiary skill upgradation and entry point activities under capacity building

<sup>8</sup> Drip kit, Zero energy cool chamber, Cool chamber, Mother Chick Unit, Shelter and capacity building

The executing agency, however, utilised only ₹ 51.20 lakh<sup>9</sup> (12 per cent) as of December 2015. The reason for low utilisation was indecisiveness of the District Collector in selecting works to be undertaken under the sector. This is evident from the fact that while the District Collector released (January 2014) ₹ 29.67 lakh for capacity building activities, he subsequently (May 2014) instructed for installation of solar photo voltaic based street light system. This was again changed (April 2015) to horticultural activities<sup>10</sup> and further changed (September 2015) to other activities<sup>11</sup>. Moreover, such change in selection of projects was contrary to the provisions of the guidelines regarding procedure to be adopted for selection of projects leading to non-execution of activities approved under AAPs. Thus, identification of projects could not be done properly before approval.

- **Social Safety Net:** Scheme guidelines, *inter alia*, emphasised on utilising BKGY fund to support programmes that address the need of vulnerable group of people. No project was initiated for vulnerable sections like physically challenged, orphans, destitute, *etc.*, under the Social Safety Net.
- **Water (Pani):** Information furnished by the Engineer-in-Chief, Rural Water Supply and Sanitation (RWSS) revealed that there were 1,570 partially covered habitations for drinking water as of March 2011, which increased to 3,827 as of March 2015, due to non-functioning of tube wells. Thus, intervention under this scheme was found to be inadequate.

The Department while accepting the above facts, stated (May 2016) that both the districts would prepare long term Comprehensive District Plans which would include programme for vulnerable sections and increase outlay to bridge critical gaps for electricity and livelihood sector. The Department assured that plans would be prepared after considering baseline data from various line Departments.

### 3.1.1.2 Deficiencies in preparation of Annual Action Plan

As per BKGY Guidelines, the projects in the approved AAP were to be completed within the same financial year. However, Audit noticed the following:

- **Delay in preparation of AAP:** AAPs of both the districts for 2011-15 were submitted to P&C Department after 17 to 288 days<sup>12</sup> of commencement of the financial year. As a result, none of the 204 test checked projects in 11 sample implementing agencies could be

<sup>9</sup> ₹ 29.67 lakh for capacity building and empowerment, ₹ 9.65 lakh for solar street light system and ₹ 11.88 lakh for procurement of turmeric and onion seed

<sup>10</sup> Drip kit installation, poly house installation and Banana, Turmeric, Potato, Onion, Ginger, Pointed gourd cultivation

<sup>11</sup> Lift irrigation, refrigerated van, drinking water projects, *etc.*

<sup>12</sup> Kandhamal: 2011-12: 214, 2012-13: 288, 2013-14: 17 and 2014-15: 157 days; Gajapati: 2011-12: 146, 2012-13: 135, 2013-14: 143 and 2014-15: 261 days

completed within the same financial year. The Department while attributing such delay to non-receipt of project proposals from specific quarters, assured (May 2016) that the AAPs would be prepared in a timely manner.

- ***Non-substitution of already existing projects:*** In Gajapati district, 19 drinking water supply projects with estimated cost of ₹ 63.89 lakh included in AAPs of 2010-13<sup>13</sup> were found to have been executed earlier under other schemes. However, no new projects were identified in the district to utilise the unutilised fund.
- ***Inadmissible projects approved:*** Out of 1,420 projects sanctioned in Kandhamal district, 316 projects<sup>14</sup> (₹ 3.24 crore) were not related to scheme objectives and were thus inadmissible. The Department assured (May 2016) that the projects would be included in the AAPs as per the guidelines of the scheme.
- ***Non-preparation of sub-plan for SC and ST population:*** It was mandatory that the funds for SC communities under the Scheduled Castes Sub-Plan (SCSP) and ST communities under Tribal Area Sub-Plan (TASP) were allocated in the District Plan, based on the proportions of their populations in the district. However, Annual Action Plan did not contain any component-wise plan. Audit noticed that there were only 11 SC dominated villages in Gajapati district as per 2011 census but no project was executed in these villages under the scheme during 2011-15.
- ***Transparency in selection of projects:*** As per BKG Y Guidelines, the list of projects indicating reason for taking up and basis of selection were to be uploaded in the official website to ensure transparency. Projects were to be identified in consultation with people's representatives and concerned District Level Officers as well as Panchayati Raj Institutions (PRIs), Non-Government Organisations (NGOs), Village Education Committees (VECs), Pani Panchayats, Self Help Groups (SHGs) and other community based organisations. However, involvement of these functionaries and groups in selection of projects was not ensured. The Department noted (May 2016) the observations of Audit for future guidance.

### **3.1.2 Project implementation**

Review of execution of projects and their utilisation revealed the following deficiencies:

- ***Slow pace of execution:*** Year-wise receipt, total availability of funds, release of funds to executing agencies and expenditure reported to

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<sup>13</sup> 2010-11: 11, 2011-12: 4 and 2012-13: 4

<sup>14</sup> 290 repair works of Anganwadi Centres, schools, Livestock aid Centre buildings (₹ 258.25 lakh); one work at religious place (₹ 10 lakh); three projects on construction of Government/ PRI office building (₹ 20.50 lakh); five works of water supply to Government offices (₹ 11 lakh) and 17 electrical projects like electrical wiring including purchase of air conditioners, etc. (₹ 23.88 lakh)

Government by both districts during 2011-15 are indicated in the **Table 3.1.2**.

**Table 3.1.2: Availability vis-à-vis utilisation of funds as reported by the executing agencies**

(₹ in crore)

Year	Opening balance	Receipt	Interest & other receipts	Total availability	Fund released to Executing Agencies	Unspent balance with the District authority	Expenditure as reported by the EAs
2011-12	28.17	28.50	0.43	57.10	35.87	21.23	31.97
2012-13	21.23	28.50	0.57	50.30	15.37	34.93	14.11
2013-14	34.93	28.50	0.84	64.27	31.49	32.78	23.94
2014-15	32.78	28.50	0.73	62.01	29.31	32.70	2.58
<b>Total</b>		<b>114.00</b>	<b>2.57</b>		<b>112.04</b>		<b>72.60</b>

(Source: Information furnished by the District Authorities)

As of March 2015, utilisation of funds under the scheme as reported to Government by both districts during 2011-15 was 50 per cent of the available funds<sup>15</sup> (Kandhamal: 51 per cent and Gajapati: 48 per cent). Further, 730 out of 2,119 projects taken up during 2011-15 remained incomplete and ₹ 32.70 crore (23 per cent) was not even released by district authorities to implementing agencies.

As of December 2015, in six test checked blocks and five executing agencies, only 910 projects were completed utilising ₹ 43.75 crore out of 1,429 projects, with an outlay of ₹ 72.79 crore approved during 2011-15. Utilisation of funds in four<sup>16</sup> out of 11 sampled units during 2011-15 was within 49 per cent. The reasons for low utilisation were non-approval of AAPs in time, delay in sanctioning of projects by district authorities, delay in release of funds and non-imposition of penalty for delays in execution and lack of monitoring by district authorities.

The Project Director, DRDA, Kandhamal stated (December 2015) that the spending efficiency remained low due to work load and implementation of number of schemes by the executing agencies. The reply is not acceptable as the District Administration did not assess these constraints before getting the approval of proposals. Further, the allocation of funds was spread thinly and large number of low value projects were proposed instead of focusing on bridging critical gaps in major sectors.

- **Non-sanction of projects by District authorities:** In Kandhamal district, 149 projects<sup>17</sup> with estimated cost of ₹ 11.35 crore included in AAP 2011-15 were not sanctioned by the district authorities due to non-submission of plan and estimates by the EAs, land dispute, etc. The Department stated (May 2016) that the EAs were instructed to submit fresh proposals. The reply is not convincing as the projects already

<sup>15</sup> Unspent fund of ₹ 28.17 crore as on 1 April 2011 plus grants received during 2011-15 ₹ 114 crore plus interest and other receipts received ₹ 2.57 crore

<sup>16</sup> BDOs: Khajuripada: 40 per cent, Phulbani: 44 per cent, Gumma: 49 per cent and OTELP: 9 per cent

<sup>17</sup> 2011-12 (52 projects of ₹ 2.93 crore), 2012-13 (35 projects of ₹ 2.56 crore), 2013-14 (53 projects of ₹ 5.07 crore), 2014-15 (9 projects of ₹ 0.79 crore)

included in AAPs could have been executed with timely sanction and release of funds.

- **Delay in sanction of projects:** After approval of AAP, the Collector, Kandhamal again called for plan and estimates of projects from the EAs for sanction and administrative approval, even though the BDOs are competent to accord approval up to ₹ 10 lakh. As a result, 844 out of 1,420 projects with total estimated cost of ₹ 44.29 crore were sanctioned with delays ranging between 38 to 1,191 days<sup>18</sup>, consequently delaying the award of work. The Department stated (May 2016) that delay in sanction of projects and release of funds had since been avoided.
- **Non-execution of projects by executing agencies:** In Kandhamal district, six projects with estimated cost of ₹ 2.17 crore approved in AAP 2009-10 were not taken up as of October 2015 by the Executive Engineer (EE), Rural Works Division, Phulbani without any recorded reason. Similarly, in Gajapati district, out of 261 water supply projects sanctioned during 2009-15, EE, RWSS Division, Paralakhemundi had not commenced execution of 31 projects<sup>19</sup> with approved cost of ₹ 2.06 crore for one to five years as of December 2015 on the grounds of delay in submission of revised project proposal (23), delay in finalisation of tender (4), project completed under other scheme (1), not feasible (2) and no recorded reason (1). The Department stated (May 2016) that proposals for substitution of these projects were under consideration. The reply does not address the reason for non-execution of projects already sanctioned.
- **Deficiencies in water supply projects:** In two sample units<sup>20</sup>, 33 water supply works<sup>21</sup> executed at a cost of ₹ 2.06 crore were incomplete and delay ranged between one to six years after commencement. The deficiencies noticed in execution of water supply projects are discussed below:
  - In five out of 33 water supply projects left incomplete by EE, RWSS Division, Phulbani and Paralakhemundi as of March 2015, major components of the projects were completed at an expenditure of ₹ 46 lakh, but the same remained non-functional due to non-availability of water source, non-installation of pump set, non-laying of pipeline, non-installation of transformer, etc., rendering the entire expenditure unfruitful. Joint physical inspection of one such project (Gerupada) in Kandhamal district revealed that works on raw water pipeline and distribution pipeline were completed in November 2014 at a cost of ₹ 13.25 lakh. But the same remained non-functional due to non-availability of water source. The Department stated

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<sup>18</sup> 38 to 90 days: 372; 91 to 180 days: 227 ; 181 to 365 days: 193; 366 to 730 days:30; 731 to 1,000 days: 19 and 1,001 to 1,191 days: 3

<sup>19</sup> 2009-10:8; 2010-11:1; 2011-12:4; 2012-13:16; 2014-15:2

<sup>20</sup> Executive Engineers of Rural Water Supply and Sanitation Divisions, Phulbani and Paralakhemundi

<sup>21</sup> 2009-10:6; 2010-11:1, 2011-12: 14; 2012-13:7, 2013-14:4 and 2014-15:1

(May 2016) that appropriate action has been initiated for completion of these water supply projects.

- Joint physical inspection of five out of 91 piped water supply projects executed under BKGY in both the districts revealed that in three<sup>22</sup> projects, the under-ground reservoir/ storage tank was not constructed for treatment of water and provision for the same was also not provided in the estimates. As a result, untreated water was supplied to the villagers. The Department stated (May 2016) that appropriate instructions had been issued to the EE concerned to ensure treatment of water before supply.
- The EE, RWSS, Phulbani awarded (June 2013 to December 2015) work of sinking of 144 tube wells to contractors without conducting any feasibility study. Fifteen tube wells were not sunk due to the reasons like sites were not approachable, projects not feasible, etc. During execution, 25 (19 per cent) out of 129 tube wells sunk were found dry rendering expenditure of ₹ 8.05 lakh<sup>23</sup> unfruitful. The Department stated (May 2016) that as sites were selected based on demand of villagers, there was limited scope for feasibility study. It assured that feasibility study would be conducted while selecting the projects in future.
- Agreements for sinking of tube wells with the contractors provided for submission of water quality test reports from Government approved laboratories and Global Positioning System (GPS) details of project locations before the Department took over the projects. However, in all test checked 104 cases, tube wells were taken over and bills of contractors were paid without insisting for submission of such test reports and GPS details. The Department stated (May 2016) that GPS of all tube wells were completed in Kandhamal while the same was pending with the EE in Gajapati.

- **Unfruitful expenditure:** The construction of culvert on minor irrigation canal near Hatapada was completed (September 2015) at a cost of ₹ 10 lakh. As the construction of approach road was not taken up (January 2016) to link the culvert, the entire expenditure became unfruitful. Similarly, in the absence of any provision for an approach road for



*Photograph of incomplete culvert on road from Dimapur to Kujuni of Gosani Block under Gajapati District*

<sup>22</sup> Jajpur and Patikota under Paralakhemundi Block and Dhobajayapur under Kashinagar Block

<sup>23</sup> Calculated at ₹ 32,187 per tube well paid for failure of tube well dug in Habitation-Uppar Sahi, Village: Mungia under Tikabali Block (Digging cost for 125 mm dia 19.70 metre at ₹ 425 per metre, 100 mm dia 55.30 metre at ₹ 410 per metre and withdrawing of casing pipe 19.70 metre at ₹ 60 per metre)

a culvert on the road from Damapur to Kujuni under test checked block (Gosani), expenditure of ₹ 8 lakh incurred for construction of culvert became unfruitful. One work of additional class room<sup>24</sup> commenced in November 2011 was left incomplete after spending ₹ 9 lakh due to want of funds. The Department assured (May 2016) that the issues relating to projects not put to use due to want of funds, would be addressed in future.

- ***Non-handing over of completed projects:*** In Kandhamal district, 27 street lighting and solar lighting projects constructed at ₹ 83.70 lakh were not handed over to the Gram Panchayats for operation and maintenance. Joint physical inspection of “Installation of the high mast light posts in Gumagarh GP of Phulbani Block” at a cost of ₹ 3 lakh revealed that electricity was provided unauthorisedly from nearby electric pole without metering. The Department stated (May 2016) that concerned Gram Panchayat was being instructed to take appropriate action in the matter.
- ***Non-imposition of penalty for delayed completion:*** In 43 test checked works with contract value of ₹ 4.36 crore, although the works were completed (41)/ remained incomplete (2) with delays ranging from 11 to 591 days<sup>25</sup>, for which penalty of ₹ 32.08 lakh was not levied on the contractors in violation of the provisions of the OPWD Code. Further, in 93 projects with contract value of ₹ 3.47 crore, though the projects were completed after delays of 3 to 1,171 days<sup>26</sup>, no compensation was levied, as the agreements with the executants did not contain any penal provision for delay. The Department stated (May 2016) that instructions were issued to impose penalty/ compensation on the defaulting agencies.
- ***Absence of quality control:*** In respect of all test checked cases executed by the concerned BDOs during 2011-15, the work orders and agreement envisaged approval of materials by the BDOs. But pre-measurement of materials shown as purchased by Village Level Leaders (VLL) and brought to site was not mentioned in the Measurement Books. Further, no quality test of materials purchased was conducted in any of the test checked cases. In CC/ RCC works, no quality test was conducted to ascertain the quantity of cement utilised in the work and the comprehensive strength achieved. The Department stated (May 2016) that BDOs and Additional Project Director (Technical) had since been instructed to ensure quality of works executed.

### **3.1.3 Fund Management**

Audit noticed the following deficiencies in management of funds:

- ***Delay in release of funds:*** As per guidelines, funds were to be released by district authorities to the implementing agencies within 15 days of

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<sup>24</sup> For Maa Baral Devi High School, Kaladi

<sup>25</sup> 11 to 100 days (6); 101 to 500 days (36); 501 to 591 (1)

<sup>26</sup> 3 to 100 days (25); 101 to 500 (54); 501 to 1,171 (14)

receipt. However, in 501 out of 1,420 projects in Kandhamal district, funds were released with delays ranging from 3 to 53 days<sup>27</sup>. In Gajapati district, the entire provision of ₹ 42 crore for 720 projects were released with delays ranging between 48 and 158 days<sup>28</sup>. Further, funds for 42 projects amounting to ₹ 2.53 crore approved during 2009-11 were not released without any recorded reason in Gajapati district.

- **Irregular parking of scheme fund in bank account:** Contrary to conditions in sanction order, funds amounting to ₹ 12.12 crore (Gajapati: ₹ 2.59 crore and Kandhamal: ₹ 9.53 crore) were parked in the Savings Bank Accounts maintained at commercial banks during April 2010 to March 2015 instead of Personal Ledger (PL) account. The Department accepted (May 2016) the audit observation and assured that the funds would be kept in PL account.
- **Diversion of fund:** Contrary to the provisions of the sanction order, DRDA, Kandhamal as well as BDOs, Khajuripada and Phiringia unauthorisedly diverted ₹ 22.61 crore<sup>29</sup> during 2011-15 for other purposes like implementation of MGNREGS, IAY, DRDA Administration, etc. Out of this, ₹ 2.28 crore was not recouped as of November 2015. The Department assured (May 2016) that the diverted amount would be recouped soon.
- **Non-submission of Utilisation Certificates:** Utilisation Certificates (UCs) are to be submitted to the Administrative Department by 1<sup>st</sup> June of the succeeding year. Against utilisation of ₹ 88.42 crore, the executing agencies submitted UC for only ₹ 61.96 crore (Kandhamal: ₹ 48.74 crore and Gajapati: ₹ 13.22 crore) to the concerned Collectors. However, Collector, Gajapati submitted UC for only ₹ 6.82 crore to the Department and Collector, Kandhamal did not submit any UC. The Department did not take any action against the implementing agencies and it continued to release the funds without receipt of UC. The Department stated (May 2016) that Collectors had been instructed to submit the UCs.
- **Non-refund of savings and unauthorised utilisation:** Funds amounting to ₹ 7.36 crore were released by Collectors of both districts during 2011-15 to nine<sup>30</sup> executing agencies for execution of 124 projects. These projects were completed at a cost of ₹ 6.15 crore. The balance of ₹ 1.21 crore was not refunded by these executing agencies to the Collectors. Besides, one executing agency (EE, RWSS Division, Paralakhemundi), irregularly utilised ₹ 21.65 lakh, out of savings of ₹ 0.97 crore pertaining to 2009-11, on execution of nine projects not included in AAP and had not refunded the unspent fund of ₹ 75.35 lakh till the date of Audit. The Department assured (May 2016) that the concerned executing agency would be instructed to refund the savings.

<sup>27</sup> 3 to 30 days: 499 works; 31 to 53 days: 2 works

<sup>28</sup> 2011-12 (158 days); 2012-13 (143 days); 2013-14 (125 days); 2014-15 (48 days)

<sup>29</sup> 2011-12: ₹ 19.54 crore, 2012-13: ₹ 1.23 crore, 2013-14: ₹ 1.21 crore and 2014-15: ₹ 0.63 crore

<sup>30</sup> EE, RWSS Division, Paralakhemundi; BDOs of Gosani, Gumma, Khajuripada, Mohana, Phiringia & Phulbani; PA, ITDA, Balliguda and EE, RW Division, Phulbani

### **3.1.4 Inspection, monitoring and evaluation**

Audit noticed the following deficiencies in inspection, monitoring and evaluation:

- ***Non-preparation of schedule for inspection:*** As per the Guidelines, schedule of inspection was to be prepared by the Collectors of both the districts and minimum site visits by supervisory level officers was to be fixed. But these were not done.
- ***Absence of monitoring by P&C Department:*** The Hon'ble Chief Minister instructed (June 2011) the Department to review the performance of the scheme on monthly basis. The Development Commissioner (DC) was to ensure the same through video conference. However, neither the DC nor the Department conducted any such review during 2012-15.
- ***Absence of Community Monitoring:*** Despite requirement under the guidelines, PRIs, NGOs, Pani Panchayats, VECs and other community based organisations were not involved in monitoring the execution of the projects and implementation of the programme during 2011-15.
- ***Non-evaluation of outcome:*** Though required under Guidelines, evaluation of the outcome of the programme was neither conducted by the District Planning Committee nor by the P&C Department as of December 2015.

The Department stated (May 2016) that implementation of the programme was being monitored through monthly progress reports.

### **3.1.5 Conclusion**

Comprehensive district plan was not formulated based on the gap analysis and three crucial sectors of electricity, livelihood and social safety net under the scheme were not given the requisite priority. The objectives of the scheme to provide *bijli, pani and sadak* to the deficient villages were not fully achieved. Annual Action Plans were formulated with delays and without considering inputs from line Departments. People's participation in formulation, implementation and monitoring of program was not ensured. Utilisation of funds under the scheme during 2011-15 was only 50 *per cent* of the available funds because of delay in sanctioning of projects by district authorities, delay in release of funds and lack of monitoring by district authorities, *etc.* There were several deficiencies in project implementation which led to wasteful expenditure, as projects were not put to use. Funds were managed in contravention to codal provisions. Inspection and monitoring was found inadequate at all levels.

## **General Administration Department**

### **3.2 Improper management of shopping halls**

The General Administration Department leased 153 shops/ shop *cum* residences with 66,610.703 square feet (sft.) area in Bhubaneswar as of March

2015. During 2011-15, the Department collected ₹ 4.92 crore towards rent<sup>31</sup>. Rules for allotment of shops in Bhubaneswar regulate allotment, renewal/cancellation of lease, manner of use of shopping halls, etc.

Examination of records of 15<sup>32</sup> sample Shopping Halls (SH) with total area of 42,030 sft.<sup>33</sup> located in Western and Eastern market buildings of Unit-II, Bhubaneswar, revealed cases of subletting, unauthorised alteration/ addition to the leased premises and occupation beyond the lease period as discussed below:

### 3.2.1 Subletting of shopping halls

Rule 15 (a) stipulated that no allottee shall sublet a shop allotted to him or any portion without the written permission of the Director of Estates. In case an allottee sublets a shop, the allotment shall be cancelled from the date of detection and he shall have to pay a penalty ten times the rent for each day of continuance beyond the date of cancellation of allotment. Rule 2 (b) defined subletting as permitting any other persons to run a business either on behalf of the allottee or independently, with or without pecuniary benefit accruing to him, without permission.

Audit noticed that inspection of SHs by the Department for identifying cases of subletting was ineffective as in 4<sup>34</sup> out of 15 SHs inspected during 1986 to February 2015, no violations were reported, despite unauthorised constructions. The remaining 11 SHs were inspected only one to eight times during the same period. Despite reports by inspecting officials (January 1997 to 2013) about functioning of five SHs<sup>35</sup> in different names (**Appendix 3.2.1**), no further enquiry was made to confirm subletting.

Audit conducted joint physical inspections (JPI) of SHs (September and October 2015) along with the concerned departmental Assistant Engineer and also cross examined business details of the allottees with records of Commercial Tax authority, which revealed that eight<sup>36</sup> SHs were sublet by the allottees including five which were fully sublet as indicated in **Appendix 3.2.2**. Two such cases, where Audit could gather the rent agreements between original allottee and tenant are discussed below:

- The allottee of SH No. WMB-7 (The Z) entered into tenancy agreements (August 2001 and April 2014) with Vishal Retail Private Limited for a minimum guarantee of ₹ 1.13 lakh per month together with two *per cent* of sales turnover (September 2001 to August 2012) which was increased thereafter to ₹ 2 lakh and three *per cent* respectively. Rent and commission received by the allottee for 34

<sup>31</sup> Rent charged per sft. was ₹ 2 during January 1988 to 14 October 2002, ₹ 4 from 15 October 2002 to February 2011 and ₹ 15 thereafter

<sup>32</sup> Shopping halls at Eastern Market Building from 1 to 7 and at Western Market Building from 1 to 8

<sup>33</sup> 63 *per cent* of total floor area of 153 shops

<sup>34</sup> EMB-1, WMB-1, WMB-2 and WMB-5

<sup>35</sup> EMB-3, EMB-7, WMB-4, WMB-7 and WMB-8

<sup>36</sup> Five SHs: fully and three SHs: partially

months<sup>37</sup> was ₹ 1.47 crore as intimated by the allottee to the Rent Officer. For the same period, the allottee paid only ₹ 29.31 lakh to the Department towards rent. Further, even though the Department had a copy of the sublet rent agreement, it did not cancel the allotment as mandated under the Rules.

- Similarly, the allottee of WMB-8 (Bhubaneswar Wholesale Cooperative Stores Limited) sublet a portion of the allotted SH to four different business establishments. The agreed rate of rent with one tenant was ₹ 2.80 lakh per month (May 2012) with provision for 15 *per cent* increase in every three years. On the other hand, the allottee paid only ₹ 42,030 per month to the Department towards rent. The latest Audit Report of the allottee for 2007-08, furnished by the Auditor General of Cooperative Societies to Audit, also indicated receipt of rent towards subletting, by the allottee.

### **3.2.2 Non-cancellation of allotment for unauthorised constructions**

Rule 15 (a) provides that in case an allottee makes improper use of the shop, the allotment shall be cancelled from the date of detection and he shall have to pay a penalty at 10 times the rent for each day of continuance beyond the date of cancellation. Improper use, as defined in the Rules, included erection of unauthorised structure.

Fifteen SHs with floor area of 42,030 sft. were allotted to 15 allottees. However, measurement of floor area of these SHs by the concerned Assistant Engineer in the presence of Audit revealed that the actual floor space under occupation by these 15 SHs was 1,13,356.73 sft. *i.e.* 71,326.73 sft. in excess of allotted space as of October 2015 (**Appendix 3.2.3**).

All 15 SHs had unauthorisedly created extra space ranging from 1,182.20 sft. (WMB-5) to 9,472.18 sft. (EMB-6) through construction of mezzanine floor, additional floor over roof, *etc.* Out of these, in six<sup>38</sup> cases the Department detected (May 2000 to February 2014) 18,397 sft. of irregular construction. Instead of cancelling the lease, the Director of Estates allowed utilisation of 6,249 sft. space (four<sup>39</sup> cases) and did not take any action in respect of remaining 12,148 sft.<sup>40</sup> after issuing show cause notices<sup>41</sup>. On the contrary, these allottees further increased the space by 24,283.59 sft. as noticed during JPI.

Some instances are discussed below:

- In case of WMB-4 with allotted floor space of 2,802 sft., additions and alterations in the shop was reported (March 2012 and February 2014) by the inspecting officials of the Department. However, despite issue of show cause notice (May 2014) and confirmation by the allottee, the

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<sup>37</sup> From September 2012 to September 2013 and March 2014 to November 2015

<sup>38</sup> EMB-2, EMB-3, EMB-6, WMB-3, WMB-4 and WMB-7

<sup>39</sup> EMB-2, EMB-3, WMB-3 and WMB-7. In respect of WMB-3, out of unauthorised construction of 2,458 sft. detected, 1,860 sft. was regularised

<sup>40</sup> WMB-3: 598 sft. (August 2001), WMB-4: 5,604 sft. (March 2013/ February 2014) and EMB-6: 5,946 sft. (October 2013/ February 2014)

<sup>41</sup> Show cause notices were issued for WMB-3 during February 2002 to June 2008, WMB-4 in May 2014 and EMB-6 in March 2014

Director of Estates did not cancel the allotment. The JPI (September 2015) revealed that the floor space was unauthorisedly increased to 10,649.40 sft. *i.e.* 280 *per cent* excess of the allotted space.

- Similarly, in case of EMB-6, unauthorised extension of floor space was detected (October 2013) by the Department. The measurement (February 2014) of the floor space by the Department revealed unauthorised construction of additional 5,946 sft. Instead of cancelling the allotment and charging penalty, the Director of Estates took no action after issuing show cause notice in March 2014. Besides, the allottee made further additions (3,556.18 sft), in addition to extensions detected earlier, thus increasing the floor space to 12,274.18 sft. (338 *per cent* excess), as revealed in JPI (September 2015).

### 3.2.3 Irregular renewal of lease and unauthorised occupation of SHs

Rule 11 required allotment of shops in the capital city either through auction process or through selection from amongst the applications received. Rule 12 (b) envisages that agreement can be renewed for a maximum period of three years (at a time) after the expiry of the first term. Rule 18 stipulates that a person in unauthorised occupation of a shop shall be liable for a penalty ten times of the monthly rent fixed for the shop. Rule 2 (e) defines unauthorised occupation as occupation by a person in whose favour allotment has not been made and occupation by the allottee beyond the period for which the agreement has been registered. Clause 5 of lease agreement requires the lessee to handover the SH on expiry of the lease period failing which, the occupier would be treated as a trespasser being liable for eviction under the provisions of the Orissa Public Premises (Eviction of Unauthorised Occupants) Act, 1972 and penalty at a rate of 10 times the monthly rate for each day of unauthorised continuation shall be imposed.

Audit noticed that instead of verifying the eligibility of allottees at the time of renewal of SHs, the lease period in respect of all the 15 SHs were repeatedly renewed 3 to 11 times in favour of the allottees/ their legal heirs/ partners/ managing partners as indicated in **Appendix 3.2.4**. However, none of the allottees of these 15 SHs were eligible for renewal of lease period as they had either sublet or done unauthorised constructions in violation of the Rules, as discussed in the preceding paragraphs.

Further, lease period of nine<sup>42</sup> SHs were not renewed though they had lapsed for periods between 1 and 25 years<sup>43</sup> as of October 2015. However, neither had the allottees surrendered the allotted space nor had the Department evicted them as of October 2015. The Department also did not impose penalty amounting to ₹ 73.08 crore<sup>44</sup> up to October 2015, as per the terms of agreements.

<sup>42</sup> EMB-1, EMB-3, EMB-5, EMB-6, EMB-7, WMB-2, WMB-3, WMB-4 and WMB-8

<sup>43</sup> EMB-1: one year, EMB-3: 4 years six months, EMB-5: four years, EMB-6: two years six months, EMB-7: 17 years, WMB-2: one year, WMB-3: six years six months, WMB-4: five years and WMB-8: 25 years

<sup>44</sup> Calculated 10 times of monthly rent of allotted space at prevalent rent for each day of unauthorised continuance

Thus, due to non-renewal, original allottees not only continued to occupy SHs unauthorisedly but also sublet SH in violation of the Rule. Two such instances are discussed below:

- The WMB-7 was allotted to an individual who died in 1988, after which it was reallocated (November 2001) in favour of his son. Prior to this allotment, the son had entered (July 2000) into a partnership agreement with M/s Z Engineers Construction Private Limited (the Z) and two others to run a business in WMB-7 with a share of only 10 *per cent*. The allottee also authorised (November 2001) the managing partner through an irrevocable power of attorney to sign and admit the lease deed or any other document/ paper necessary before the appropriate authority. The Department approved the partnership firm to run business from SH No. WMB-7 and subsequently renewed (July 2005) the lease in favour of the Z for the period from August 2004 to October 2007. The lease was repeatedly renewed up to December 2016. Since, there is no provision in the Rules to renew lease in favour of the legal heir or the power of attorney holder, renewal of lease in favour of the son of the deceased allottee was irregular. Further, the Z sublet the SH to another business house as already discussed at ***Paragraph 3.2.1.***
- The lease period of SH No. WMB-3 was valid up to June 2009. The allottee was doing garment business with two others in the name of 'Kalamandir'. The allottee retired from the business in April 2004, but the other partners continued business from the shop. The Department was neither informed nor was aware of running of business by non-allottees. These non-allottees, as late as November 2009, requested the Department to renew the lease in favour of the shop in their names. Despite the Department being informed of cessation of the allottee from conducting business from the allotted shop, it did not cancel the allotment. After almost five years, the Officer on Special Duty and Rent Officer of the Department opined (May 2014) against renewal of lease. But, till February 2016, the unauthorised occupants had not been evicted.

Thus, non-renewal of lease period facilitated the violators in continuing occupation of shops unauthorisedly.

#### ***3.2.4 Non-revision of rent leading to loss of revenue***

Based on the recommendations of a Committee constituted for fixation of rent of shops, the rent of SH was last revised in March 2011 and was fixed at ₹ 15 per sft. The above rate was fixed based on the prevailing rate of license fee, increase in cost of annual repair and maintenance of the buildings as well as rent charged by organisations such as Bhubaneswar Development Authority, Bhubaneswar Municipal Corporation, Orissa State Housing Board, *etc.* The Department had not fixed any timeframe for revision of rent at regular intervals.

Audit noticed that in two SHs (WMB-7 and WMB-8), allottees received annual consideration of ₹ 49.43 lakh and ₹ 33.60 lakh<sup>45</sup> respectively during 2015. Rent paid to the Government for the same period was only ₹ 10.34 lakh (WMB-7) and ₹ 5.04 lakh (WMB-8). Considering these rates, annual undue benefit extended to the allottees of 15 SHs is estimated at ₹ 8.20 crore<sup>46</sup> to ₹ 8.88 crore<sup>47</sup>.

### 3.2.5 Conclusion

Audit noticed various deficiencies like subletting, unauthorised construction, irregular renewal of lease without following a transparent system, unauthorised occupation beyond the lease period and non-revision of rent. Though the Rule provided for initiating penal action against the allottees, no effective action was taken to check these violations.

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

### 3.3 Avoidable extra expenditure of ₹ 1.28 crore on procurement of computers

#### *Delay in procurement of 1,511 desktops under Human Resources Management System (HRMS) resulted in avoidable extra expenditure of ₹ 1.28 crore*

Guidelines issued (13 February 2012) by the Finance Department require every authority delegated with the financial powers of procuring goods in public interest to bring in efficiency, economy and transparency in matters relating to public procurement and ensure fair and equitable treatment to suppliers and promote competition. The specifications in terms of quality, type, etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out, should also meet the basic needs of the organisation, without including superfluous and non-essential features, which may result in unwarranted expenditure.

Centre for Modernising Government Initiatives (CMGI) is a registered society functioning under the General Administration (GA) Department. It is the implementing agency for Human Resources Management System (HRMS) being developed by Government for deployment in all Drawing and Disbursing Offices (DDOs). The Department released (February 2012) ₹ 6.79 crore to CMGI for purchase of 1,529 Desktop computers and their distribution to DDOs for regular updating of HRMS data and to facilitate online submission of pay bills to Treasury. Fund requirement was, *inter alia*, assessed

<sup>45</sup> WMB-7: ₹ 49,43,032 for 7,984.59 sft. and WMB-8: ₹ 33,60,000 at ₹ 2.80 lakh per month for 4,200 sft.

<sup>46</sup> {(Annual consideration of ₹ 33.60 lakh paid by the tenant to allottee of WMB-8 divided by 4,200 sft. let out)X1,13,356.73 sft. less ₹ 86.90 lakh paid by the allottees of 15 SHs to GA department} = ₹ 819.95 lakh

<sup>47</sup> {(Annual consideration of ₹ 49.43 lakh paid by the tenant to allottee of WMB-7 divided by 5,747 sft. let out)X1,13,356.73 sft less ₹ 86.90 lakh paid by the allottees of 15 SHs to GA department} = ₹ 888.09 lakh

considering the rate<sup>48</sup> finalised by Odisha Computer Application Centre (OCAC) for purchase of 1,990 such desktops during January-February 2012. The terms of sanction required full utilisation of the fund by the year end (31 March 2012) and adherence to the guidelines prescribed by Finance Department from time to time.

CMGI released the entire fund for procuring desktops to OCAC in March 2012. However, OCAC returned the same to CMGI in the same month on the ground of shortage of manpower, its pre-occupation in many major IT projects and its negligible presence at district level. It, however, provided the technical specifications as well as name of four vendors who agreed to supply the desktops at ₹ 31,200 each. CMGI purchased 65 computers at this specification from one of the suppliers recommended by OCAC at ₹ 31,500<sup>49</sup> during April-May 2012 for another purpose. After 11 months (in March 2013), it decided to decentralise their purchase through District Collectors at DGS&D rate of ₹ 31,850 plus Value added tax (VAT) at 5 *per cent*. Funds for the purpose were released<sup>50</sup> to the District Collectors with the instruction to purchase the same at ₹ 35,003 each<sup>51</sup> (inclusive of tax), without specifying a time schedule for procurement. Consequently, the Collectors purchased the computers at higher rates ranging from ₹ 40,405 to ₹ 44,733 during June 2013 to January 2016 except for 372 computers purchased by Collectors of six districts at the prescribed rate of ₹ 35,003 each.

Thus, inordinate delay in decision making by CMGI and failure to ensure purchase of computers in time by District Collectors, led to avoidable extra expenditure of ₹ 1.28 crore<sup>52</sup> on purchase of 1,511 computers. Achievement of the objective of submission of pay-bills by DDOs to treasury was also delayed in two<sup>53</sup> out of four districts test checked, where concerned DDOs (175) sent pay bills to treasury through online only after receipt of these computers *i.e.* with delay of 3 to 34 months.

The Department attributed (May 2016) the delay in procurement to the District Collectors and stated that there was no additional outflow from the State exchequer as the interest earned from the unspent fund was utilised for meeting the extra cost. The reply is not acceptable as the CMGI took almost one year to decide the *modus operandi* of procurement resulting in purchase of computers at higher cost. Besides, utilisation of accrued interest for meeting extra cost is not correct as interest accrued on the unutilised fund has not yet been assessed and the District Collectors utilised the unspent funds with them for meeting the extra cost.

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<sup>48</sup> ₹ 31,200 per a desktop computer

<sup>49</sup> ₹ 30,000 plus 5 *per cent* VAT (as VAT rate increased from 4 to 5 *per cent* from 1 April 2012)

<sup>50</sup> March 2013: ₹ 4.63 crore and February 2014 : ₹ 2.16 crore

<sup>51</sup> DGS&D Rate contract price of ₹ 31,850 each plus VAT and excise duty

<sup>52</sup> 1,511 computers purchased at ₹ 6,04,01,569 less 1,511 X ₹ 31,500 = ₹ 1,28,05,069

<sup>53</sup> Jharsuguda and Sundargarh

## Rural Development Department

### 3.4 Construction and maintenance of rural roads

The Rural Development (RD) Department constructs rural roads from funds received under Pradhan Mantri Gram Sadak Yojana (PMGSY) from the Government of India (GoI) as well as funds provided under various State schemes<sup>54</sup>. Maintenance cost of roads is borne by the State Government. During 2012-15, an amount of ₹ 2,926.76 crore was available under PMGSY. Against this, the Department utilised ₹ 4,128.26<sup>55</sup> crore, including security deposits of contractors and other receipts like interest and available funds of State Government. Under State Plan, the Department utilised ₹ 1,549.03 crore out of the available funds of ₹ 1,675.81 crore. The allotment and expenditure on construction and maintenance of rural roads under PMGSY and State Plan during the period 2012-15 are detailed in the *Table 3.4.1*.

*Table 3.4.1: Allotment and expenditure of construction and maintenance of roads*  
(₹ in crore)

Year	Construction				Maintenance			
	Fund received		Expenditure incurred		Fund received		Expenditure incurred	
	PMGSY	State Plan	PMGSY	State Plan	PMGSY	State Plan	PMGSY	State Plan
2012-13	1,179.79	402.70	1,203.80	346.39	40.00	454.34	35.48	453.16
2013-14	1,155.52	487.65	1,615.57	463.63	41.40	519.69	37.15	501.52
2014-15	591.45	785.46	1,308.89	739.01	48.00	566.95	23.68	558.24
<b>Total</b>	<b>2,926.76</b>	<b>1,675.81</b>	<b>4,128.26</b>	<b>1,549.03</b>	<b>129.40</b>	<b>1,540.98</b>	<b>96.31</b>	<b>1,512.92</b>

(Source: Information furnished by EIC, RW, Odisha)

Audit was conducted in eight<sup>56</sup> out of 65 Rural Works (RW) Divisions covering the period 2012-15 between November 2015 and February 2016. Audit noticed various irregularities like award of work without ensuring availability of land/ forest clearance, abandonment of work, etc., as discussed in the subsequent paragraphs.

#### 3.4.1 Construction of roads

##### 3.4.1.1 Award of work without ensuring availability of land

As per PMGSY guidelines, the State Government is responsible to ensure that lands are available before taking up the proposed road works. Further, as per Paragraph 3.7.4 of Odisha Public Works Department (OPWD) Code, work should be commenced only after the land is duly made over by a responsible Civil Officer.

<sup>54</sup> Additional Central Assistance (ACA), Rural Infrastructure Development Fund (RIDF), Constituency-wise Allotment (CWA), Revised Long Term Action Plan (RLTAP) for Kalahandi-Bolangir-Koraput districts, etc.

<sup>55</sup> 2012-13 OB: ₹ 1,097.54 crore + GoI grant 2012-15: ₹ 2,313.29 crore + State contribution: ₹ 91.71 crore + Security Deposit: ₹ 369.21 crore + Interest: ₹ 98.08 crore + Other receipts: ₹ 158.43 crore

<sup>56</sup> Angul, Anandapur, Bhadrak-II, Ganjam-II, Nayagarh-I, Padampur, Nabarangpur, Kendrapara-II, which were selected through stratified random sampling without replacement method

Audit noticed that in four out of eight test checked Divisions, construction of four road works were taken up during January 2010 to October 2013 without ascertaining availability of land. As a result, the works scheduled for completion between January 2011 and September 2014 remained incomplete as of December 2015 as detailed in **Table 3.4.2**.

**Table 3.4.2: Table showing execution of work without availability of land**

Name of the Work/ Division	Award Cost (₹ in lakh)	Scheduled period of completion	Date of closure of work	Cost of left-over work (₹ in lakh)	Date of award of balance work	Award value of balance work (₹ in lakh)	Remarks
Dandisahi to Krushnadas-pur Road/ Kendrapara II (PMGSY)	369.59	October 2011	August 2012	345.07	May 2015	504.73	Land acquisition process was initiated only in January 2016 and balance work was awarded with extra cost of ₹ 159.66 lakh.
Bhapur-Sagargaon Road/ Nayagarh I (PMGSY)	316.19	January 2011	September 2014	98.29	September 2015	147.86	The work was closed due to land dispute and after settling the dispute, the work was awarded with extra cost of ₹ 49.57 lakh.
Ganiapali Kundakhai road Padampur (State Plan)	123.09	July 2013	April 2014	29.80	Not awarded	0	Land dispute was not resolved till the date of audit.
Kuskilla Kosala Road/ Angul (State Plan)	260.62	September 2014	February 2015	18.53	Not awarded	0	Though the bridge was completed (February 2015), land acquisition process for approach road was initiated only in October 2015. In absence of approach road, expenditure incurred on the bridge remained unfruitful.

*(Source: Records of test checked RW Divisions)*

While EE, Angul stated that the land acquisition was under progress and traffic would be opened soon after acquisition of private land, EE, Nayagarh-I replied that land problem could not be resolved earlier inspite of several

efforts. After resolving the land issue, balance work was awarded to another agency, which was in progress. The EE, Padampur replied that there was no detailed plan to complete the remaining work and the EE, Kendrapara-II stated that the land owners who had initially given their consent had protested during execution. The reply is not acceptable as the works were awarded without ensuring the availability of land and the process of land acquisition was initiated much after the award of work.

### 3.4.1.2 Award of work without forest clearance

As per Paragraph 3.2.3 of OPWD Code Vol.-I, administrative approval for a work shall be given after preparation of Detailed Project Report (DPR), forest clearance, etc.

Audit noticed that in case of four works as mentioned in **Table 3.4.3** under Rural Works Division, Ganjam-II, the EE did not mention the necessity for obtaining forest clearance while submitting DPR to the Department. The Department also granted administrative approval without ascertaining the same. The EE, subsequently, awarded (December 2004 to April 2010) the works. It was observed that three works could not be commenced due to non-availability of forest clearance. In case of the remaining work, the same was stopped after commencement but was subsequently completed after receipt of forest clearance.

**Table 3.4.3: Table showing execution of work without forest clearance**

Name of the work Package No.	Date of Administrative Approval	Awarded Cost (₹ in lakh)	Stipulated date of completion	Cost of work executed (₹ in lakh)	Date of re-award	Re-award cost (₹ in lakh)	Remarks
OR-11-85	November 2007	154.79	9 October 2008	0	February 2014	269.95	Works remained incomplete even after four to seven years from stipulated date of completion. The re-award involved extra cost of ₹ 2.84 crore.
OR-11-135	February 2009	270.02	25 August 2010	0	December 2015	316.20	
OR-11-134		390.16	14 April 2011	0	December 2015	512.71	
OR-11-32	October 2003	318.49	23 September 2005	231.43	April 2012	144.09 (completed at a cost of ₹ 142.28 lakh)	Work completed in March 2015 with extra cost of ₹ 0.55 crore.

(Source: Records of test checked RW Divisions)

The EE replied that the works were taken up in anticipation of obtaining forest clearance. However, award of work without forest clearance is not permissible as per OPWD code.

#### **3.4.1.3 Non-completion of work due to deficient survey**

As per Paragraph 3.2.3 of OPWD Code Vol. I, administrative approval for a work shall be given after preparation of DPR. Audit noticed that DPR for the road Gayalmunda (Santoshpur) to Signali prepared by the EE, RW Division, Anandapur included construction of 19 culverts and two box cell bridges. Accordingly, the EE awarded (December 2012) the work for ₹ 3.24 crore for completion by December 2013. However, during execution, existence of two more *nallahs* were noticed requiring construction of two additional culverts to protect the road. The EE submitted (August 2014) revised estimate to the SE for approval which was not approved, till December 2015. The work was also stopped since March 2015 after incurring expenditure of ₹ 1.76 crore.

#### **3.4.1.4 Non/ short levy of penalty for delayed execution**

As per the terms of agreements with the contractors, if the work is not executed as per the time schedule, the contractor is liable to pay liquidated damages (LD) at the rate of one *per cent* of the awarded value per week subject to maximum of 10 *per cent*, in case of delay beyond 10 weeks. In case of rescission of contract, apart from penalty, cost of 20 *per cent* of value of balance work is to be recovered from the contractor.

On test check of 27 works in six out of eight test checked Divisions, Audit noticed that these road works scheduled for completion between February 2007 and February 2015, remained incomplete as of December 2015 due to slow progress of work by the contractors. Audit, however, noticed that the EEs had not levied the LD as per the provisions of the contract, as discussed below:

- In case of 18 works, the stipulated period of completion was between December 2013 and February 2015. However, these works were not completed (December 2015) even after expiry of 10 to 24 months from the stipulated period of completion. The contractors had also not applied for extension of time. Despite this, the EEs had not imposed LD amounting to ₹ 5.77 crore as per condition of contract as detailed in **Appendix 3.4.1**. The EE, Anandapur replied (January 2016) that delay in execution was due to land dispute as well as shifting of public utilities such as electric poles, *etc.*, for which penalty was not recovered. However, as revealed from the records, the EEs had issued show cause notices to the contractors which indicated that the delay was attributable to the contractors and as such, penalty was leviable.
- In respect of nine works, due to failure of the contractors in completing the works within the stipulated period, the EEs rescinded the agreements during July 2009 to May 2015. However, the EEs recovered only ₹ 0.63 crore as against recoverable amount of ₹ 5.88 crore, resulting in short recovery of ₹ 5.25 crore (**Appendix 3.4.2**).

The EEs assured (November 2015-February 2016) that the balance amount would be recovered from the contractors.

### 3.4.2 Maintenance of roads

RD Department received ₹ 1,670.38<sup>57</sup> crore during 2012-15 for maintenance of 85,198 km<sup>58</sup> rural roads (excluding PMGSY roads which are under maintenance liability of contractors). As against this, the Department utilised ₹ 1,609.23 crore (96 *per cent*) and maintained 68,900 km<sup>59</sup> (81 *per cent*) of rural roads. Repair and maintenance work of the remaining roads were not taken up despite availability of funds. Audit noticed the following deficiencies in maintenance of rural roads.

#### 3.4.2.1 Non-conduct of mandatory maintenance of PMGSY roads

PMGSY guidelines provide that all PMGSY roads will be covered by five year maintenance contracts along with the construction contract with the same contractor. If the routine maintenance work is not carried out by the contractor, the employer will be free to carry out routine maintenance work and recover the amount from the performance security of the contractor.

In seven<sup>60</sup> test checked Divisions, 452 PMGSY roads were under mandatory maintenance period during 2012-15 and the concerned contractors were responsible for maintenance as per terms and condition of the contract. However, in case of 116 roads, the concerned contractors had neither executed maintenance work nor did the EEs execute the same by invoking the performance guarantees of the contractors. Joint physical inspection of two PMGSY roads in presence of audit revealed poor condition of roads as evident from the following photographs.



The EEs stated that the routine maintenance was not conducted by some contractors despite repeated reminders and the cost of maintenance of these roads would be recovered from the performance security of the contractors.

#### 3.4.2.2 Award of works to defaulting contractors

As per Clause 33.1 and 43.4 of Section 4 and Clause 4.7 (ii) of Section 2 of Standard Bidding Document, the agencies, who failed to take up routine maintenance of completed PMGSY roads, are debarred from participating in future PMGSY tender for a period of three years.

Audit noticed that three contractors had executed PMGSY roads for ₹ 5.48 crore under RW Division, Anandapur, but did not undertake routine

<sup>57</sup> State Plan: ₹ 1,540.98 crore and PMGSY: ₹ 129.40 crore

<sup>58</sup> 2012-13: 28,159 km; 2013-14: 28,159 km and 2014-15: 28,880 km

<sup>59</sup> 2012-13: 18,400 km; 2013-14: 22,000 km and 2014-15: 28,500 km

<sup>60</sup> Angul, Anandapur, Ganjam-II, Nayagarh-I, Padampur, Kendrapara-II and Nabarangpur

maintenance works despite issue of several<sup>61</sup> notices during December 2008 to June 2015. However, the EE subsequently awarded four PMGSY works for ₹ 10.66 crore to these contractors during October 2009 to October 2013. It was further noticed that two<sup>62</sup> works had remained incomplete as of December 2015, even after two years from the stipulated period of completion.

The EE stated (January 2016) that the roads were in good condition and did not require any maintenance. However, the EEs had issued show cause notices to the contractors for their failure to undertake the maintenance work.

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

### Home Department

#### 3.5 Curtailment of Central assistance due to delay in setting up of Police Training Schools

***Non-identification of land in time for setting up of Police Training Schools and delay in completion of construction works on the available land led to curtailment of Central assistance of ₹17.50 crore and diversion of training equipment, etc., valuing ₹2.06 crore***

The capacity of Police Training Schools (PTSS) of the State was only 2,000 against requirement of 5,800 as per the norm<sup>63</sup> prescribed by the Bureau of Police Research and Development (BPRD). Besides, the State had no specialised formal training institute for armed police. The anti-extremist training centre at Chandaka was considered by the Department to be inadequate in view of growing Naxal menace in the State. To bridge this gap in police training infrastructure, Government of Odisha (GoO) approached (October 2009) the 13<sup>th</sup> Finance Commission (FC) for sanctioning grants of ₹ 70 crore for setting up of three new PTSS<sup>64</sup> at Byree, Burla and Koraput. The 13<sup>th</sup> FC recommended ₹ 70 crore under State-Specific Grants to be released to GoO during 2011-15 at ₹ 17.50 crore per annum.

The Guidelines envisaged submission of UCs and physical progress report to Government of India (GoI) as pre-conditions for release of yearly instalments. GoO entrusted (May 2011) the work of construction of these training schools to the Odisha State Police Housing and Welfare Corporation Limited (OSPHWC) and procurement of equipment to the Director General of Police (DGP), Odisha.

Audit noticed the following deficiencies:

- ***Deficient Planning and delay in finalisation of land:*** GoI Guidelines (April 2011) required the State Government to constitute a High Level Monitoring Committee (HLMC) headed by the Chief Secretary to

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<sup>61</sup> Four notices each to two contractors and one notice to one contractor

<sup>62</sup> PMGSY Package Nos.- OR-17-285 and OR-17-302

<sup>63</sup> Norm of three *per cent* of sanctioned strength of the Police Force as new recruit against retirement vacancy plus provision for in-service training of two weeks duration, once in three years

<sup>64</sup> Basic training school for civil police at Byree (Jajpur district): ₹ 20 crore; Basic training school for armed police at Burla (Sambalpur district): ₹ 30 crore and Anti-extremist training school at Koraput (Koraput district): ₹ 20 crore

approve and monitor Action Plan for utilisation of 13<sup>th</sup> FC grant. HLMC approved (June 2011) Action Plan prepared by the Department for allocating ₹ 5 crore, ₹ 7.50 crore and ₹ 5 crore each year during 2011-12 to 2014-15 for setting up PTSs at Byree, Burla and Koraput respectively. However, the Action Plan was repeatedly revised in December 2011, May 2012 and November 2013 as land/ sites for two PTSs (Burla and Koraput) were finalised only in September 2012 (Koraput) and June 2013 (Burla). Even after taking possession of land, there were delays in according administrative approval, commencement and execution of work as indicated in *Table 3.5.1*.

*Table 3.5.1: Delay in finalisation of land, handing over possession and status of construction works in three PTIs*

Name of Training School	Period of			Amount of funds (up to November 2015) (₹ in crore)		Status of Work as of November 2015
	Possession of land	Administrative Approval	Commencement of work	Released	Utilised	
Basic training school for civil police at Byree	January 2009	January - November 2012	January - November 2012	18.56	11.43	Only seven out of 19 works were completed.
Basic training school for armed police at Burla	June 2013	January 2014	October 2014	28.12	7.54	None of 13 approved works were completed.
Anti-extremist training school at Koraput	September 2012	February 2014	November 2014	18.56	3.56	None of 15 approved works were completed.

(Source: Records of DGP and information furnished by OSPHWC)

As a result, only one PTS (Byree) became functional in partially completed infrastructure since December 2012 while remaining two PTSs were not functional as of March 2016.

- **Curtailment of Central assistance:** GoI released ₹ 52.50 crore at ₹ 17.50 crore per year during 2011-14 while the State Government in anticipation of receipt of Central assistance released the remaining funds of ₹ 17.50 crore for 2014-15 out of its own resources. The DGP drew ₹ 69.39 crore during 2011-15, while sanction for remaining ₹ 61.36 lakh lapsed. Out of ₹ 69.39 crore, ₹ 4.15 crore was utilised on purchase of equipment, cots and utensils for training schools/ hostels (barracks) while ₹ 65.24 crore was released in favour of OSPHWC for construction of the three PTSs. As of November 2015, only ₹ 26.67 crore<sup>65</sup> was utilised. As the Department could not furnish physical progress and completion certificates by 31 March 2015, GoI did not release the balance amount of ₹ 17.50 crore due for 2014-15. Thus, the State was deprived of Central assistance of ₹ 17.50 crore.

<sup>65</sup> Equipment, etc.: ₹ 4.15 crore and construction by OSPHWC: ₹ 22.52 crore

- **Submission of inflated UC despite non-utilisation of funds:** Out of ₹ 65.24 crore released to OSPHWC, it could utilise only ₹ 12.48 crore up to March 2015. However, the Department furnished (July 2015) UC for ₹ 69.39 crore to GoI including entire amount of ₹ 65.24 crore advanced to OSPHWC. Even as on November 2015, ₹ 42.72 crore remained unspent with OSPHWC in the shape of fixed deposits. Thus, UC was inflated by ₹ 42.72 crore.
- **Diversion of training equipment:** As per the provisions of Orissa Treasury Code, no fund should be drawn from the treasury unless the same is required for immediate disbursement. Even though training schools at Burla and Koraput were not functional, the DGP drew and purchased training equipment, cots and utensils utilising ₹ 2.06 crore for these training schools to avoid lapse of budgetary provision. As these schools were not set up, some of these equipment, cots and utensils were diverted to other training schools and Superintendent of Police offices (₹ 1.97 crore) and the remaining were kept idle (₹ 0.09 crore) in Biju Patnaik State Police Training Academy. Equipment meant for the school at Byree (₹ 2.09 crore) were, however, being utilised.

Thus, deficient planning, delay in finalisation of land and frequent revision of Action Plan and slow pace of execution of work resulted in incomplete facilities in these police training institutes even after lapse of four years of commencement, thereby denying the much needed training infrastructure for State Police. The State Government also lost the Central assistance of ₹ 17.50 crore.

The matter was reported (March 2016) to the Government; their reply had not been received (May 2016).

### **School and Mass Education Department**

#### **3.6 Non-recovery and remittance of Employees' Provident Fund contribution**

As per the Employees' Provident Fund and Miscellaneous Provisions (EPF & MP) Act 1952, every employer should contribute to the fund at the rate of 12 *per cent* of the pay of the eligible employee and administrative charges at 1.61 *per cent* up to December 2014 and 1.36 *per cent* from January 2015. The contribution of the employee shall be equal to the contribution of the employer. As per Paragraph 30 of EPF Scheme, 1952, the employer shall in the first instance remit both his contribution and employees' share without any delay. Paragraph 32A of the above Scheme states that if the employer commits any default in depositing the contribution with the Employees' Provident Fund Organisation (EPFO), he is liable to pay damages by way of penalty at the rate ranging from 17 to 37 *per cent* of arrears per annum for period of default ranging from less than two months to six months and above.

Audit noticed that the District Education Officers (DEOs) appointed 3,672<sup>66</sup> (teaching: 3,637 and non-teaching: 35) contractual staff in different categories<sup>67</sup> of high schools eligible to be covered under EPF Scheme in eight test checked districts<sup>68</sup>. Though they were paid ₹ 71.64 crore towards their remuneration between January 2011 and December 2015, the DEOs had neither recovered employees' contribution of ₹ 8.60 crore (at 12 *per cent*) from these contractual staffs nor remitted the same along with employers' share including administrative charges to the extent of ₹ 9.62 crore<sup>69</sup> totalling ₹18.22 crore with the EPFO Commissioner since their appointment (*Appendix 3.6.1*). The Department did not instruct the DEOs to deduct the EPF contribution in respect of these eligible contractual employees in compliance with the provisions of the Act. However, the Odisha Primary Education Programme Authority, implementing the Sarva Shiksha Abhiyan functioning under the same administrative Department had already issued instructions to its field offices (July 2007) in the districts to deduct and remit the EPF dues in respect of contractual staff of Primary and Upper Primary Schools.

Thus, failure of the DEOs to adhere to the provisions of the EPF&MP Act, 1952 had resulted in non-remittance of EPF contribution of ₹ 18.22 crore. Besides, penalty of ₹ 3.10 crore (at 17 *per cent* per annum) was also payable.

DEOs of test checked districts assured that necessary deduction towards EPF contribution would be made soon after receipt of instruction from the Department.

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

## Revenue and Disaster Management Department

### 3.7 Erroneous computation of additional compensation

***Failure of the LAO to compute compensation till the date of award as prescribed in Land Acquisition Act, 1894 led to non-payment of compensation amounting to ₹ 6.41 crore to 2,410 land losers***

Acquisition of private land for public purpose is governed by the Land Acquisition Act, 1894<sup>70</sup>. The Government issues 'Notification' under Section 4 (1) of the Act giving details of land to be acquired. As per Section 23 of the Act, the value of compensation to be paid for the land acquired under Section 4 (1) is determined on the basis of market value of the land prevailing on the date of publication of the 'Notification'. Government issues a 'Declaration' for acquisition with details of land and amount of compensation under Section 6 (1) of the Act, after detailed verification of land and hearing of objections

<sup>66</sup> 2007:4; 2008:118; 2009:56; 2010:428; 2011:818; 2012:122; 2013:1,259; 2014:44 and 2015: 823

<sup>67</sup> Upgraded High Schools, Government High Schools, Government Girls' High School, Aided High Schools and High Schools run by local bodies

<sup>68</sup> Koraput (539), Rayagada (460), Kendrapara (708), Balasore (366), Dhenkanal (258), Jajpur (613), Sonapur (157) and Sundargarh (571)

<sup>69</sup> Employers' contribution at 12 *per cent* and administrative charges at 1.61 *per cent* up to December 2014 and 1.36 *per cent* of remuneration paid thereafter

<sup>70</sup> A Central Act

from interested persons. Thereafter, Government issues an ‘order’<sup>71</sup> authorising the District Collector to acquire the land and hand it over to requisitioning departments. Besides, additional compensation<sup>72</sup> is to be paid at 12 *per cent per annum* of the market value of land<sup>73</sup> for the intervening period between the date of publication of the ‘Notification’ and date of award of compensation or date of taking over possession of land, whichever is earlier.

For expeditious disposal of land acquisition cases and minimising additional compensation, the erstwhile Revenue Department fixed (July 1989) time limit for issue of the ‘order’<sup>74</sup> within 10 days from the date of publication of the ‘Declaration’ and instructed the Collectors to pass award of compensation within 45 days from the date of receipt of ‘order’.

During audit of the Collectorate, Puri for the period 2010-15, it was noticed that in 6 out of 26 cases, Land Acquisition Officer (LAO), Puri passed award for compensation during January 2011 to August 2012 for acquisition of 306.248 acre of private land valued at ₹ 44.31 crore in six villages<sup>75</sup> for Government projects like construction of road, diversion weir and drinking water project. Thereafter, the possession of land was taken by the Collector and handed over to the concerned requisitioning departments<sup>76</sup> during November 2011 to November 2013. However, the LAO calculated and paid additional compensation as ₹ 5.54 crore considering the time gap of 12 to 20 months (365 to 608 days) included in the sanctioned estimate as against the actual time gap of 24 to 36 months (738 to 1,085 days) between the date of publication of ‘Notification’ and date of award. This resulted in short payment of compensation of ₹ 6.41 crore to 2,410 land losers as detailed at **Appendix 3.7.1**.

Audit further noticed that the reason for increase in the amount of additional compensation than the estimated amount was excess time taken for disposing of the land acquisition cases. The R&DM Department took 8 to 429 days to issue ‘order’<sup>77</sup> from date of publication of ‘Declaration’ against prescribed 10 days. Similarly, Collector also took further 53 to 339 days for passing award instead of prescribed 45 days. Thus, there were delays ranging from 8 to 429 days at R&DM Department level and 53 to 339 days at Collector/ LAO level.

Thus, non-consideration of additional time taken up for passing the award of compensation including additional compensation, resulted in short payment of ₹ 6.41 crore to 2,410 land losers.

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<sup>71</sup> Under Section 7 of the LA Act

<sup>72</sup> Under Section 23 (1A) of the LA Act

<sup>73</sup> Includes all other immovable property like house, trees, *etc.*, attached to it as per Section 3 of the Act

<sup>74</sup> Order for authorisation under Section 7 of the LA Act to acquire land after payment of compensation

<sup>75</sup> Samanga: 215.65 acre; Samangara: 32.59 acre; Balukhanda: 14.828 acre; Gadsanaput: 23.20 acre; Uttarakona: 16.27 acre; Batagaon: 3.71 acre

<sup>76</sup> Works Department and Water Resources Department

<sup>77</sup> Authorisation under Section 7 of the LA Act

Confirming the facts Collector, Puri assured (December 2015) that further assessment would be made and sent to the requisitioning departments for further action.

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

### **3.8 Loss due to irregular parking of State Disaster Relief Fund in current account**

Provisions<sup>78</sup> of the Orissa Treasury Code (OTC) read with instructions (October 2012 and November 2014) of Finance Department prohibits parking of Government funds in current account with banks, as it affects the ways and means position of State Government. It also prescribes that no money should be drawn from the Treasury unless it is required for immediate disbursement.

Audit noticed that during the period from October 2011 to September 2015, Collector, Puri retained State Disaster Relief (SDR) Funds<sup>79</sup> ranging from ₹ 1.96 crore to ₹ 46.97 crore<sup>80</sup> in current accounts with the State Bank of India, contrary to the codal provision. Similarly, Collector Ganjam had also retained SDR funds ranging from ₹ 44.73 lakh to ₹ 19.96 crore<sup>81</sup> in current account during 2013-15. During these periods, the State Government borrowed funds from open market at the rates ranging between 5.60 to 12 *per cent* per annum.

Had the funds not been drawn from the Treasury and utilised for ways and means of the Government, the interest burden on the State Government towards borrowing from open market could have been reduced by ₹ 2.33 crore, calculated at the minimum borrowing rate of 5.60 *per cent* per annum on minimum unspent balance.

Thus, drawal of Government money from treasury without immediate requirement for disbursement and parking the same in current account resulted in avoidable interest burden of ₹ 2.33 crore<sup>82</sup> (*Appendix 3.8.1*).

The Collector, Puri stated (December 2015) that funds were drawn and credited to current account to avoid delay in disbursement. Instructions had been issued to the Deputy Collector (Emergency) for not drawing funds further, in absence of requirement for immediate disbursement.

<sup>78</sup> SR-242 of OTC-Vol. 1

<sup>79</sup> Schemes on Disaster Relief like agriculture input subsidy, crop loss, *ex gratia*, etc.

<sup>80</sup> Minimum balance: October 2011-September 2012: ₹ 1.96 crore; September 2012-August 2013: ₹ 9.55 crore; October 2013-September 2014: ₹ 7.03 crore; October 2014-September 2015: ₹ 5.49 crore; Maximum balance: October 2011-September 2012: ₹ 46.97 crore; October 2012-September 2013: ₹ 16.93 crore; October 2013-September 2014: ₹ 15.86 crore; October 2014-September 2015: ₹ 23.07 crore

<sup>81</sup> Minimum balance: April 2013-March 2014: ₹ 44.73 lakh; April 2014 - March 2015: ₹ 17.22 crore; Maximum balance: April 2013-March 2014: ₹ 19.96 crore; April 2014 - March 2015: ₹ 19.44 crore

<sup>82</sup> Collectorate, Puri: ₹ 1.34 crore and Collectorate, Ganjam: ₹ 0.99 crore

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

## **Finance Department**

### **3.9 Lack of response to Audit**

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

A review of IRs issued up to March 2015 pertaining to 24 departments revealed that 40,919 paragraphs relating to 10,092 IRs were outstanding at the end of June 2015. Year-wise position of outstanding IRs and paragraphs are detailed in *Appendix 3.9.1*. Of these, 3,918 IRs containing 12,112 paragraphs were outstanding for more than 10 years (*Appendix 3.9.2*). Of the above outstanding IRs, even the first reply from the Heads of offices was not received in respect of 1,790 IRs. The departments from which majority of replies were awaited were Revenue and Disaster Management (R&DM), Women and Child Development (W&CD), School and Mass Education (S&ME), Housing and Urban Development (H&UD) and Health and Family Welfare (H&FW).

#### **3.9.1 Follow up action on earlier Audit Reports**

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

As of September 2015, 13 out of 24 departments did not submit explanatory notes in respect of 38 paragraphs (28 individual and 10 PAs/Reviews) featured in the C&AG's Audit Reports from the years 2003-04 to 2013-14 (*Appendix 3.9.3*).

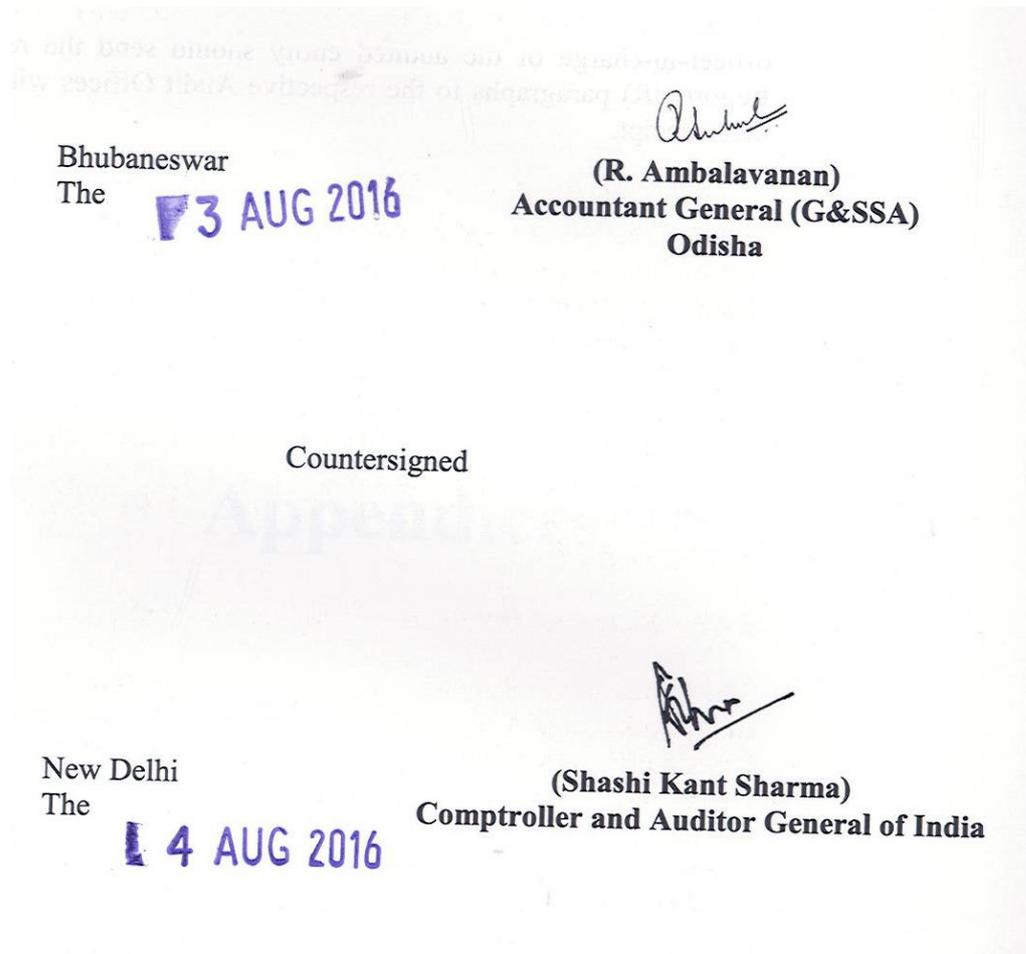
#### **3.9.2 Response to the recommendations of the Public Accounts Committee (PAC)**

The Odisha Legislative Assembly constitutes PAC every year to examine the Reports of C&AG and the Reports of such examination are presented to the Assembly. On the basis of recommendation of a High Powered Committee headed by Sri S.L. Shakhder, Finance Department instructed (December 1993) all the departments to submit Action Taken on the recommendations of PAC/COPU within four<sup>83</sup> months after presentation of the reports to the Legislature.

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<sup>83</sup> Reduced from six to four months in April 2005 by OLA under Rule 213-B (1) of Rules of Procedure and Conduct of Business in the Odisha Legislative Assembly

It was noticed that out of 624 recommendations (**Appendix 3.9.4**) made by the PAC from the 3<sup>rd</sup> Report of tenth Assembly (1990-95) to 10<sup>th</sup> Report of fourteenth Assembly (2009-14), final actions taken on 21 recommendations from five<sup>1</sup> departments were awaited (September 2015).



<sup>1</sup> Higher Education (1), Health & Family Welfare (3), Revenue & Disaster Management (1), Law (6) and Rural Development (10)



# Appendices



**Appendix 2.1.1**  
**(Refer Paragraph 2.1.7)**  
**A. Statement showing availability and utilisation of funds under RMSA during 2009-15**

Year	PAB approval	Opening Balance	Funds released		Total funds released	Interest	Total funds available	Funds utilised	Funds unutilised	Percentage of utilisation
			Central Share	State Share						
2009-10	20753.98	0	504	0	504	0	504	0	504	Nil
2010-11	49440.71	504	8983	2380	11363	53.69	11920.69	58.89	11861.8	0.49
2011-12	55097.15	11861.8	12886.89	5078.12	17965.01	589.86	30416.67	3011.4	27405.27	9.90
2012-13	15250.16	27405.27	21542.51	7180.83	28723.34	1145.66	57274.27	5011.25	52263.02	8.75
2013-14	12702.02	52263.02	26553.62	8851.21	35404.83	1247.78	88915.63	10758.5	78157.13	12.10
2014-15	7662.95	78157.13	3358.28	1119.43	4477.71	952.62	83587.46	21459.52	62127.94	25.67
<b>Total</b>	<b>160906.97</b>		<b>73828.30</b>	<b>24609.59</b>	<b>98437.89</b>	<b>3989.61</b>		<b>40299.56</b>		

(Source: Database of OMSM)

**B. Statement showing availability and utilisation of funds under Vocationalisation of Education Scheme during 2009-15**

VOCATIONAL EDUCATION (90:10)										
Year	PAB approval	Opening Balance	Funds released		Total funds released	Interest	Total funds available	Funds utilised	Funds unutilised	Percentage of utilisation
			Central Share	State Share						
2009-10	0	0	0	0	0	0	0	0	0	0
2010-11	0	0	0	0	0	0	0	0	0	0
2011-12	0	0	0	0	0	0	0	0	0	0
2012-13	0	0	0	0	0	0	0	0	0	0
2013-14	940.91	0	470.45	43.8	514.25	0.19	514.44	0	514.44	0.00
2014-15	535.35	514.44	0	0	0	20.83	535.27	0	535.27	0.00
<b>Total</b>	<b>1476.26</b>		<b>470.45</b>	<b>43.8</b>	<b>514.25</b>	<b>21.02</b>		<b>0</b>		

(Source: Database of OMSM)

**C. Statement showing availability and utilisation of funds under ICT@Schools Scheme during 2009-15**

INFORMATION AND COMMUNICATION TECHNOLOGY (75:25)										
Year	PAB approval	Opening Balance	Funds released		Total funds released	Interest	Total funds available	Funds utilised	Funds remains unutilised	Percentage of utilisation
			Central Share	State Share						
2009-10	0	0	0	0	0	0	0	0	0	0.00
2010-11	25600	0	0	0	0	0	0	0	0	0.00
2011-12	12800	0	300	100	400	0	400	0	400	0.00
2012-13	0	400	4100	1366.67	5466.67	35.68	5902.35	0	5902.35	0.00
2013-14	0	5902.35	0	0	0	73.91	5976.26	1664.43	4311.83	27.85
2014-15	0	4311.83	7948	2649.34	10597.34	425.27	15334.44	11924.8	3409.64	77.76
<b>Total</b>	<b>38400</b>		<b>12348.00</b>	<b>4116.01</b>	<b>16464.01</b>	<b>534.86</b>		<b>13589.2</b>		

(Source: Database of OMSM)

**D. Statement showing availability and utilisation of funds under Girls' Hostel Scheme during 2009-15**

GIRLS' HOSTEL (90:10)										
Year	PAB approval	Opening Balance	Funds released		Total funds released	Interest	Total funds available	Funds utilised	Funds remains unutilised	Percentage of utilisation
			Central Share	State Share						
2009-10	0	0	0	0	0	0	0	0	0	0
2010-11	0	0	0	0	0	0	0	0	0	0
2011-12	0	0	0	0	0	0	0	0	0	0
2012-13	0	0	0	0	0	0	0	0	0	0
2013-14	0	0	0	0	0	0	0	0	0	0
2014-15	22184.5	0	8793.98	977.11	9771.09	63.49	9834.58	0	9834.58	0.00
<b>Total</b>	<b>22184.5</b>		<b>8793.98</b>	<b>977.11</b>	<b>9771.09</b>	<b>63.49</b>		<b>0</b>		

(Source: Database of OMSM)

**E. Statement showing availability and utilisation of funds under IEDSS Scheme during 2009-15**

Year	PAB approval	Opening Balance	Funds released		Total funds released	Interest	Total funds available	Funds utilised	Funds remained unutilised	Percentage of utilisation
			Central Share	State Share						
2009-10	0	0	478.94	0	478.94	0	478.94	478.94	0	0
2010-11	0	0	649.17	0	649.17	0	649.17	649.17	0	0
2011-12	0	0	1058.64	0	1058.64	0	1058.64	1058.64	0	0
2012-13	0	0	0	0	0	0	0	0	0	0
2013-14	0	0	0	0	0	0	0	0	0	0
2014-15	202.45	0	148.3	0	148.3	0	148.3	0	148.3	0.00
<b>Total</b>	<b>202.45</b>		<b>2335.05</b>	<b>0</b>	<b>2335.05</b>	<b>0</b>		<b>2186.75</b>		

(Source: Database of OMSM)

## Appendix 2.1.2

*(Refer Paragraph 2.1.8.2)*

Statement showing non-availability of various infrastructure facilities in secondary schools as of March 2015

Sl. No.	Name of the Infrastructure	Not available at the beginning 2009	Not available 2015	Net addition
1	All weather building	1,629	685	944
2	Head Master's room	2,050	2,468	-418
3	Science laboratory	4,189	NA	
4	Art/ Craft room	4,733	NA	
5	Girls' activity room	4,590	NA	
6	Electricity	2,016	1,114	902
9	Library	3,979	72	3,907
10	Drinking water	2,459	781	1,678
12	Girls' toilet	2,072	802	1,270
13	Boy's toilet	1,215	1,452	-237
14	Disable friendly toilet	4,543	3,841	702

*(Source: Database of OMSM)*

## Appendix 2.2.1

(Refer Paragraph 2.2.6)

Statement showing list of core, common and department specific applications to be developed under OSWAS as per SLA

### A. Core Applications

1. File room
2. Processing of file
3. File management system & Physical file management system
4. Correspondence (Dak) Management system
5. GR management system, Knowledge management system, Metadata Build-up System
6. Dashboard & MIS
7. SMS
8. E-mail
9. Time Analysis / Appointment Scheduler
10. Communiqué (Instruction) Monitoring

### B. List of Common Applications

1. Court Case Management System (all types including NHRC cases)
2. Expenditure Management and tracking System
3. RTI
4. Assembly Questions
5. Process for Introduction of Bills or Amendments in the Legislative Assembly
6. Application for Management of CCRs/ACR of Different categories of Officers
7. Application for Cabinet Memorandum
8. Monitoring of Government of India Issues
9. Process for Constitution and Monitoring of Committees
10. Application for vehicle management and fuel consumption
11. Tracking of Foreign Travel
12. Processing of Public Accounts Committee Queries
13. Application for training of employees
14. Grievance Management System
15. Audit assessment and appeal details
16. Asset Management System
17. Online Telephone Directory
18. Request and processing for Telephone Facility
19. Knowledge Based system for Government Rules/ Regulations/ Circulars/ Acts and advanced search facility
20. Notice Board and Bulletin Board Service

### C. List of Department Specific Applications

#### Co-Operation Department

1. Process for Work Related to Appeals and Revision for co-operations

2. Process of decision for Appointment of Government Representatives or Non-Official members in Cooperative Society
3. Process for Administration Application for Entering Details of Various Cooperative Societies, Banks, Institutes, etc.
4. Process of Permissions for accepting money from Public Trust as Deposits
5. Processing proposals for donation to public trust or in public interest by Cooperative Societies

**Energy Department**

1. Monitoring and Analysis of the Energy Supply Status in the State
2. Generating various Graphical Reports for Monitoring of the Electricity Supply Status in the State (Application to capture electricity supply)

**Finance Department**

1. Application for Preparation and consolidation of Budget and Supplementary estimate
2. Management of Institutional/ Market/ State Development Loans
3. Management of State Government Guarantees
4. Monitoring Release of Finance Commission Grants and Utilisation Certificates
5. Monitoring Receipts and Payments to Government of India (Application to enter receipts / payments transactions between State Government and Government of India)

**Food Supplies & Consumer Welfare Department**

1. Prevention of Black Marketing Case Register
2. Basic information capturing of Dealers

**Home Department**

1. ACR - Advisory Integrity Details
2. Vigilance Commission Annual Report Application
3. Application for issue of Secretariat gate pass

**Information & Public Relations Department**

1. Monitoring of grant of Accreditation facilities to press conference/ Journalist
2. Processing of monthly and outstanding statement for Luxury and Entertainment Tax

**Panchayati Raj Department**

1. Approval of Local funds for Panchayat
2. Monitoring of Schemes under PR Department (Maintenance of all schemes under Panchayati Raj Department)
3. Compassionate Appointment for dependent of Panchayat Service Employees
4. Processing Departmental enquiry against Block/ Panchayat Employees
5. Inter-District Transfer of Panchayat Service Employees
6. Processing of proposal for bifurcation of Gram Panchayat
7. Fund management system of the schemes of PR Department
8. Processing enquiry against Tehsil, District Panchayat Employees

9. Processing Suspension Order after enquiry to Panchayat Employees
10. Processing Prosecution after enquiry to Panchayat Employees
11. Working related to Appeal and Revision for Panchayat

**Revenue & Disaster Management Department**

1. Conversion of Land from New tenure to Old tenure
2. Permission to sell/ transfer land for Non-Agricultural purposes
3. Land Grant for Educational Purposes
4. Monitoring of State rainfall
5. Encroachment on Government Land
6. Collector Diary -Tour Diary and Monthly Diary
7. MP/ MLA Reference cases and their analysis
8. Maintenance of details for Relief fund and their analysis
9. OAS officers Establishment
10. Relief fund Analysis

**Water Resources Department**

1. Creation of Contractor database and its MIS
2. Fortnightly Progress for Irrigation
3. Administration of Master Data for Irrigation Schemes
4. Financial and Physical performance monitoring of Irrigation Schemes
5. Water Supply Schemes Management
6. Monthly Water Supply to Habitations

**Chief Minister Office**

1. Physical file Tracking Application (Customised for CMO)
2. Application for CM Relief Fund and Application for District Visit
3. MP/ MLA - Basic information capturing (Inward letters/ references, thereafter scanning the same and forwarding to the concerned department and concerned MP/ MLA)

**Other Department Specific application**

As per the decision of the project development plan meeting under the chairmanship of Commissioner-cum-Secretary, IT Department, Government of Odisha on 13 August 2008, TCS will customise and implement another 50 department specific applications (apart from above 49 applications) free of cost from the table of 200 applications provided total effort to customise 50 applications doesn't exceed 25 person months. The selection of the applications will be made by mutual agreement of OCAC & TCS.

**Appendix 2.2.2**  
**(Refer Paragraph 2.2.6)**

**Statement showing payment milestones of OSWAS as per SLA**

<b>Payment Milestone</b>	<b>Payment</b>	<b>Value(in ₹)</b>	<b>Duration</b>
<b>Phase-I</b> System study and development of core and common applications	33.33 per cent of implementation cost of core and common application	1,56,58,145.66	4 Months
<b>Phase-II</b> Deployment/ Implementation of core and common applications in 15 departments & CM's Office	33.33 per cent of implementation cost of core and common application	1,56,58,145.66	4 Months from Phase-I
<b>Phase-III</b> Deployment/ Implementation of core and common applications in rest of 22 departments  Deployment/Implementation of department specific applications covered in phase-II	33.34 per cent of implementation cost of core & common application	1,56,58,145.68	4 Months from Phase-II
<b>Phase-IV</b> Deployment/ Implementation of department specific applications covered in phase-III	100per cent of implementation cost of department applications	38,56,195.00	4 Months from Phase-III

*(Source: Service Level Agreement between OCAC and TCS)*

**Maintenance and Handholding Support after completion of Phase-IV of above**

<b>Payment Milestone</b>	<b>Payment</b>	<b>Value (in ₹)</b>
Completion of OSWAS implementation, Handholding support of applications including Annual Maintenance of Software for Year I	Total cost of maintenance and handholding for Year-I to be paid in 4 quarterly instalments	1,69,07,933 (42,26,983 per quarter)
12 months from OSWAS implementation, handholding support of application including annual maintenance of software for Year II	Total cost of maintenance and handholding for Year-II to be paid in 4 quarterly instalments	1,48,31,520 (37,07,880 per quarter)
24 months from OSWAS implementation , handholding support of application including annual maintenance of software for Year III	Total cost of maintenance and handholding for Year-III to be paid in 4 quarterly instalments	1,48,31,520 (37.07,880 per quarter)

*(Source: Service Level Agreement between OCAC and TCS)*

**Appendix 2.2.3**  
**(Refer Paragraph 2.2.20.3)**

**Statement showing details of departments with trend of creation and movement of manual files during 2012-15**

Sl. No.	Name of the Department/HOD	CREATION OF FILES										MOVEMENT OF MANUAL FILES			
		2012		2013		2014		2015		Percent of total manual files created during 2012-15	2014	2015	Trends in movement of files (2014 and 2015)		
		Manual	OSWAS	Manual	OSWAS	Manual	OSWAS	Manual	OSWAS						
1	RDM	5664	5247	3397	9102	1820	7087	1459	7254	30%	1043	891			
2	C&T	1017	0	975	103	1143	352	1067	198	87%	783	833			
3	WORKS	3037	311	2117	1441	1800	910	2338	591	74%	660	1138			
4	H&PW	3851	0	4563	456	4252	2716	4144	1349	79%	1524	2748			
5	FISHERIES&ARD	1040	0	1061	12	1040	278	1165	378	87%	264	221			
6	EXCISE	963	2	1061	31	925	1495	1228	247	70%	831	1019			
7	MSME	453	0	589	141	1405	775	1404	849	69%	801	842			
8	PUBLIC ENTERPRISE	386	0	387	182	446	316	738	246	72%	458	546			
9	TOURISM	304	0	1142	1348	17	1342	135	246	96%	600	541			
10	HIGHER EDUCATION	5222	0	5383	71	5056	794	3312	2218	86%	2564	3024			
11	INDUSTRIES	953	0	563	17	887	1954	920	1039	52%	444	472			
12	CO-OPERATION	1563	2300	1481	261	1631	411	1493	1100	60%	1106	586			
13	SDS&TEDEPT	464	0	655	444	698	444	102	271	73%	NA	NA			
14	GENERAL ADMINISTRATION	2690	1153	1597	1326	860	5828	674	3596	33%	1521	1400			
15	PARLIAMENTARY AFFAIRS	608	0	631	129	623	275	628	132	82%	126	116			
16	FOREST&ENVIRONMENT	2462	0	3241	127	1859	1102	1977	1361	79%	2275	1527			
17	CHIEF SECRETARY OFFICE	0	0	0	0	0	0	0	0	0%	5419	3777			
18	HANDLOOM,TEXTILE	784	0	944	260	832	1701	817	179	61%	123	105			
19	PANCHAYATI RAJ	3060	67	3160	404	2682	3827	1901	2862	60%	1243	1858			
20	S&ME	4060	0	4296	1011	2556	2585	2396	4540	62%	1220	1279			
21	FS&CW	1795	46	1975	346	1910	90	2105	281	91%	1224	1122			
22	W&CD	1585	0	2234	42	1478	99	1044	1218	82%	2621	1492			
23	RURAL DEVELOPMENT	0	3803	0	1192	0	3913	0	2980	0%	0	0			
24	OCAC	NA	0	NA	0	NA	591	258	94	27%	298	303			
25	WATER RESOURCE	NA	0	6098	0	4093	895	3594	1838	83%	4340	3594			
26	SPORTS & YOUTH SERVICES	495	0	438	0	500	55	341	874	66%	NA	NA			

(Source : OSWAS database and information from user departments/ HoD)

**Appendix 2.2.4**  
**(Refer Paragraph 2.2.20.3)**

**Statement showing status of 26 test checked departments not trained on modules under 10 core and 20 common applications**

<b>Applica-tion (total no. of modules)</b>	<b>Name of modules</b>	<b>No. of departments not provided training on the module</b>
Core (10)	Files Room	3
	File processing	6
	File management system & physical file management	7
	Correspondence (Dak) management	6
	GR/ knowledge management	10
	Dashboard/ MIS	7
	SMS	15
	E-mail	20
	Time analysis/ Appointment scheduler	20
	Communique (Instruction) monitoring	10
<b>Total</b>		<b>104</b>
Common (20)	Court Case Management	19
	Expenditure management and tracking system	26
	RTI	20
	Assembly questions	24
	Process for introduction of Bills or Amendments in the Legislative Assembly	26
	Application for management of CCRs/ ACR of different categories of officers	26
	Application for Cabinet Memorandum	26
	Monitoring of Government of India issues	25
	Process for constitution and monitoring of committees	26
	Application for vehicle management and fuel consumption	19
	Tracking of Foreign travel	26
	Processing of Public Accounts Committee queries	26
	Application for training of employees	23
	Grievance Management system	26
	Audit assessment and appeal details	26
	Asset management system	26
	Online telephone directory	21
	Request and processing for telephone facility	25
	Knowledge based system for Government Rules/ Regulation/ Circulars/ Acts and advanced search facility	24
	Notice board and bulletin board service	22
<b>Total</b>		<b>482</b>

*(Source: Information furnished by departments/ HoD)*

## Appendix 3.2.1

(Refer Paragraph 3.2.1)

## Statement showing instances of reporting by inspecting officials regarding running of shopping halls in different brand names

Sl. No.	Shopping Hall No.	Name of allottee	Date of inspection	Remarks of inspecting staff <sup>1</sup>
1	EMB-3	Government Employees Consumers' Cooperative Stores Limited	16 August 2003 26 February 2007 08 September 2009 09 August 2010 02 June 2011	The Co-operative store is transacting garment business on commission basis in the brand of Bazar Kolkata since 3 March 2003.
2	EMB-7	Capital Dress Store	17 June 2013	The wife of allottee is transacting cloth business in the eastern part of the shop. In the western part, another shop in the name of Jagdish Creation is having textile business.
3	WMB-4	Secretary, Gopabandhu Daridra Narayan Seva Sangh	28 March 2012	The allottee is transacting cloth business in western portion of the hall and in the rest part of the hall they are transacting readymade garments on commission basis on the brand name of Metro Bazar.
4	WMB-7	The Z	04 October 2001 16 February 2010 18 February 2014	The family members of the allottee are transacting garment business in the name and style of Vishal Garments. The managing partner of the Z is transacting business on cloth and garments in the name and style of Vishal.

<sup>1</sup> Reporting only with reference to running of shops in different brand names

<b>Sl. No.</b>	<b>Shopping Hall No.</b>	<b>Name of allottee</b>	<b>Date of inspection</b>	<b>Remarks of inspecting staff<sup>1</sup></b>
5	WMB-8	Bhubaneswar Wholesale Co-operative Stores Limited (ALAKA)	15 January 1997 13 October 1998 20 March 2001 18 January 2002	The allottee has allowed western side of the hall to a private person who is transacting business on sarees in the name and style of "Rangoli" and another portion is also used by another organisation in the name of "Sambalpuri Bastralaya". Sublet to Rangoli, Sambalpuri Bastralaya. Allowed operation of a shop named Kajol Matching Centre on rent. Alaka is doing business in a small room.

*(Source: Records of GA Department)*

## Appendix 3.2.2

(Refer Paragraph 3.2.1)

Statement showing details of shopping halls being used by business houses other than the allottees

Sl. No.	Shop No.	Name of allottee	Area allotted (sft.)	Present occupier (shop name)	Extent of subletting
1	EMB-2	Individual	3,266	Big Mart	Full
2	EMB-3	Government Employees Consumers' Cooperative Stores Limited	3,782	Bazar Retail (P) Limited (Bazaar Kolkata)	Full
3	EMB-6	Individual	2,802	Fashion City	Partial
4	EMB-7	Capital Dress Store	2,802	Jagdish Creations	Partial
5	WMB-3	Individual	4,662	Kalamandir, Kalamandir Saree, Kalamandir Fashions	Full
6	WMB-4	Secretary, Gopabandhu Daridra Narayan Seva Sangh	2,802	Metro Bazar	Full
7	WMB-7	The Z	5,747	Vishal Mega Mart	Full
8	WMB-8	Secretary, Bhubaneswar Wholesale Cooperative Stores Limited (ALAKA)	2,802	City Styles and three different others	Partial

(Source: Records of GA Department, JPI and information furnished by the Commercial Tax authority)

**Appendix 3.2.3**  
**(Refer Paragraph 3.2.2)**

Statement showing details of unauthorised construction of extra space by the allottees

*(Figures are in square feet)*

Sl. No.	SH No.	Name of allottee	Original allotted space	Actual space occupied	Excess space occupied	Additional space (sft.) detected by the Department and month of detection	Additional space approved and Date of regularisation of extra space	Date of last inspection and remarks of inspecting official
1	EMB-1	Orissa State Cooperative Handicraft Corporation Limited	2,802	8,274.35	5,472.35	0	NA	26 March 2012 No violations detected
2	EMB-2	Individual	2,802	9,908.99	7,106.99	464 (March 2008)	464 27 March 2008	21 February 2015 No violations detected
3	EMB-3	Government Employees Consumers' Cooperative Stores Limited	2,802	9,079.34	6,277.34	980 (January 2009)	980 20 January 2009	02 June 2011 No violations detected
4	EMB-4	OSWAL and Lal Chand & Sons	2,802	5,314.47	2,512.47	0	NA	08 July 2014 No violations detected
5	EMB-5	Orissa State Cooperative Bank	2,802	4,147.19	1,345.19	0	NA	12 May 2009 No violations detected
6	EMB-6	Individual	2,802	12,274.18	9,472.18	5,946 (October 2013 and February 2014)	NA	24 October 2013 The lessee has made additions and alterations

Sl. No.	SH No.	Name of allottee	Original allotted space	Actual space occupied	Excess space occupied	Additional space detected by the Department and month of detection	Additional space approved and Date of regularisation of extra space	Date of last inspection and remarks of inspecting official
7	EMB-7	Capital Dress Store	2,802	5,451.38	2,649.38	0	NA	17 June 2013 No mention regarding additions and alterations
8	WMB-1	United Bank of India	2,802	4,779.50	1,977.50	0	NA	20 February 2015 No violations detected
9	WMB-2	Orissa State Handloom Weavers Cooperative Society Limited	2,802	4,878.25	2,076.25	0	NA	11 May 2015 No violations detected
10	WMB-3	Individual	2,802	9,595.09	6,793.09	1,860 (May 2000) 598 (August 2001)	1,860 May 2000	08 May 2009 The allottee had made additions and alterations
11	WMB-4	Secretary, Gopabandhu Daridra Narayan Seva Sangh	2,802	10,649.40	7,847.40	5,604 (March 2013) and February 2014)	NA	28 March 2012 The allottee had made additions and alterations
12	WMB-5	USHA International	2,802	3,984.20	1,182.20	0	NA	20 October 2014 No violations detected
13	WMB-6	Narula Cloth Store	2,802	8,518.80	5,716.80	0	NA	28 October 2014 No violations detected

Sl. No.	SH No.	Name of allottee	Original allotted space	Actual space occupied	Excess space occupied	Additional space detected by the Department and month of detection	Additional space approved and Date of regularisation of extra space	Date of last inspection and remarks of inspecting official
14	WMB-7	The Z	2,802	7,984.59	5,182.59	2,945 (October 2002)	2,945 October 2002	18 February 2014 Permission given for additions and alterations
15	WMB-8	Bhubaneswar Wholesale Cooperative Stores Limited (ALAKA)	2,802	8,517.00	5,715.00	0	NA	14 July 2011 The allottee had made unauthorised constructions.
<b>Total</b>			<b>42,030</b>	<b>1,13,356.73</b>	<b>71,326.73</b>	<b>18,397</b>	<b>6,249</b>	

*(Source: Records of GA Department and JPI)*

## Appendix 3.2.4

*(Refer Paragraph 3.2.3)*

## Statement showing repeated renewal of lease agreements

Shop No.	Period of renewal of lease	No. of years renewed without putting to auction	Number of times renewed
EMB-1	1984-2014	30	3
EMB-2	1998-2017	19	7
EMB-3	2003-2011	8	5
EMB-4A	1996-2016	20	8
EMB-4B	1994-2016	22	9
EMB-5	2004-2011	7	3
EMB-6	1994-2013	19	8
EMB-7	1985-1998	13	3
WMB-1	1995-2017	22	8
WMB-2	1997-2014	17	7
WMB-3	1997-2009	12	6
WMB-4	1969-2010	41	10
WMB-5	1984-2017	33	11
WMB-6	1998-2017	19	10
WMB-7	2001-2016	15	7
WMB-8	Nil	0	Not renewed after 1990

*(Source: Records of GA Department)*

**Appendix 3.4.1**  
**(Refer Paragraph 3.4.1.4)**

**Statement showing non-recovery of penalty despite delay in execution**

Sl. No.	Name of the Division	Package No./ Name of the work	Agreement cost (₹ in lakh)	Stipulated date of completion	Up to date expenditure incurred (Up to December 2015) (₹ in lakh)	Penalty amount	Delay in month as of December 2015
1	Nayagarh-I	OR-23-106	225.19	27 November 2014	96.94	22.52	13
2		OR-23-131	213.47	06 September 2014	89.39	21.35	15
3		OR-23-99	470.17	23 December 2014	89.06	47.02	12
4		OR-23-121	199.26	21 August 2014	96.40	19.93	16
5		OR-23-101	393.72	19 November 2014	136.85	39.37	13
6	Ganjam-II	Sikri MDR-64 P Ramachandrapur Road	377.06	27 February 2015	133.47	37.71	10
7		Darubhadra Gandala Road via Marupalli	320.11	05 October 2014	207.01	32.01	14
8		Purunakhandi to Sasan Ambagam via Saru	232.98	27 January 2015	126.97	23.30	11
9		Rambha Khandadeuli via Nimisola Road	221.44	27 January 2015	169.69	22.14	11
10		Approach road to JN Sagar MIP Polsara via JN Pur	244.17	03 December 2014	208.23	24.42	12
11	Nabarangpur	OR-22-115	527.00	12 March 2014	490.21	52.70	21
12		OR-22-116	397.82	04 March 2014	241.00	39.78	21
13		OR-22-117	338.85	19 February 2014	200.32	33.88	22
14		OR-22-120	396.95	12 February 2014	363.12	39.70	22
15	Padampur	OR-03-139	196.71	02 January 2014	146.03	19.67	21
16		OR-03-135	319.01	21 January 2014	146.28	31.90	23
17	Anandapur	OR-17-285	451.23	14 May 2014	149.02	45.12	19
18		OR-01-104	248.44	24 December 2013	129.17	24.84	24
<b>Total</b>			<b>5773.58</b>		<b>3219.16</b>	<b>577.36</b>	<b>10-24 month</b>

(Source: Records of test checked R. W Divisions)

**Appendix 3.4.2**  
**(Refer Paragraph 3.4.1.4)**

**Statement showing non-imposition of LD and non-recovery of penalty for non-completion of work after termination of contract**

**(Figure ₹ in lakh)**

Sl. No.	Name of the Division	Package No.	Agreement Period	Date of termination	Agreement Value	Work executed	Penalty at 10 per cent of Contract Price	Value of balance work	Penalty at 20 per cent of balance work	Total Penalty Outstanding	Remarks
1	Padampur	OR-03-ADB A/I OR-03-ADB-B/I	20 May 2006 to 19 February 2007	July 2009	440.44	249.19	44.04	312.18	62.44	106.48	-
2	Nayagarh-I	OR-23-35	08 July 2009 to 07 July 2010	April 2012	355.81	120.21	35.58	322.50	64.50	100.08	₹ 8.90 lakh forfeited
3		OR-23-45(B)	22 July 2009 to 21 July 2010	April 2012	118.54	41.63	11.85	97.69	19.54	31.39	-
4	Ganjam-II	OR-23-39(B)	08 July 2009 to 07 July 2009	April 2012	227.00	52.76	22.70	232.66	46.53	69.23	-
5		OR-11-92	11 April 2008 to 10 January 2009	September 2014	250.46	195.06	25.05	74.10	14.82	39.87	-
6	Kendrapara-II	OR-11-61	04 May 2007 to 03 February 2008	September 2014	191.62	159.74	19.16	54.36	10.87	30.03	-
7		OR-16-75(A)	27 September 2010 to 26 September 2011	May 2015	261.59	141.58	26.16	125.73	25.15	51.31	-

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Sl. No.	Name of the Division	Package No.	Agreement Period	Date of termination	Agreement Value	Work executed	Penalty at 10 per cent of Contract Price	Value of balance work	Penalty at 20 per cent of balance work	Total Penalty Outstanding	Remarks
8	Nabarangpur	OR-22-55	13 July 2009 to 12 July 2010	March 2014	763.45	416.68	76.34	297.33	59.47	130.87	₹ 54.56 lakh forfeited
9	Anandapur	OR-17-148	08 May 2008 to 07 February 2009	May 2015	142.32	71.13	14.23	71.19	14.24	28.47	-
<b>Total</b>					<b>2,751.23</b>	<b>1,447.98</b>	<b>275.11</b>	<b>1587.74</b>	<b>317.56</b>	<b>587.73</b>	<b>-</b>

(Source: Records of test checked RW Divisions)

**Appendix 3.6.1**

*(Refer Paragraph 3.6)*

**Non-recovery of EPF contribution from remuneration of teaching and non-teaching staff deployed during 2007-15**

Sl. No.	Name of the District	No. of teaching staff deployed	No. of non-teaching staff deployed	Total no. of teaching & non-teaching staff deployed	Period of engagement	Total remuneration paid during last five years from 1 January 2011 (in ₹)	Range of delay (months since date of deployment) Maximum/Minimum	EPF due at 12 per cent of remuneration towards employees' share (in ₹)	EPF due towards employers' share		Total EPF due from January 2011 to December 2015 (in ₹)
									13.61 (12+1.61) per cent of remuneration up to December 2014 (in ₹)	13.36 (12+1.36) per cent of remuneration from January 2015 to December 2015 (in ₹)	
1	Sundargarh	571	0	571	18 June 2010 to 12 June 2015	112754907	49/06	13530589	5038981	10117635	28687205
2	Koraput	539	0	539	3 July 2007 to 15 June 2015	111186387	85/06	13342366	4528862	10408829	28280057
3	Sonepur	151	6	157	6 December 2008 to 11 June 2015	31217827	68/06	3746139	1616599	2583797	7946535
4	Rayagada	460	0	460	19 June 2007 to 11 June 2015	99025253	85/06	11883030	4753436	8563653	25200119
5	Dhenkanal	258	0	258	12 July 2010 to 11 June 2015	42150907	48/06	5058109	1677338	3984834	10720281
6	Jajpur	584	29	613	3 October 2007 to 24 November 2015	104194040	82/02	12503285	4340085	9659961	26503331

Sl. No.	Name of the District	No. of teaching staff deployed	No. of non-teaching staff deployed	Total no. of teaching & non-teaching staff deployed	Period of engagement	Total remuneration paid during last five years from 1 January 2011 (in ₹)	Range of delay (months since date of deployment) Maximum/Minimum	EPF due at 12 per cent of remuneration towards employees' share (in ₹)	EPF due towards employers' share		Total EPF due from January 2011 to December 2015 (in ₹)
									13.61 (12+1.61) per cent of remuneration up to December 2014 (in ₹)	13.36 (12+1.36) per cent of remuneration from January 2015 to December 2015 (in ₹)	
7	Balasore	366	0	366	23 January 2010 to 31 December 2013	82191893	54/16	9863027	4060012	6988188	20911227
8	Kendrapara	708	0	708	11 August 2008 to 3 July 2015	133692060	72/05	16023607	6317947	11659366	34000920
	<b>Total</b>	<b>3637</b>	<b>35</b>	<b>3672</b>	<b>19 June 2007 to 24 November 2015</b>	<b>716413274</b>		<b>85950152</b>	<b>32333260</b>	<b>63966263</b>	<b>182249675</b>

*(Source: Information furnished by District Education Officers of test checked districts)*

**Appendix 3.7.1**  
**(Refer Paragraph 3.7)**

**Statement showing under assessment of additional compensation**

Sl. No.	LA case No./village	Area in acre	No. of land losers	Name of Requisitioning Officer	Purpose of acquisition	Date of publication of notification under Section 4 (1)	Date of award for compensation	Value of land including trees & structure awarded (₹)	Date of handing over possession to RO	Amount of additional compensation at the rate of 12 per cent per annum (in ₹)			Under-assessment		
										Amount of additional compensation awarded		Amount of additional compensation due as per provision			
										No. of months of days	No. of days			Period in days	
1	1/2008/Samangara	32.590	518	EE, R&B Division, Puri	Construction of four lane road from NH 203 to Vedanta University	08 July 2008	28 June 2011	25710690	21 November 2013	15	456	3856604	1085	9171320	5314717
2	2/2008/Balukhanda	14.828	215			07 June 2008	24 January 2011	32432172	21 November 2013	15	456	4864826	961	10246789	5381963
3	1/2009/Gada-sanaput	23.200	708	EE, Khurda Irrigation Division, Khurda	Construction of Rajua Diversion Weir	29 December 2009	02 February 2012	2026904	21 November 2013	20	608	405381	765	509780	104399
4	4/2009/Samangara	215.650	490	EE, Irrigation Division, Puri	Supply of 75 MLD drinking water to Puri town and Samuka Beach Project in Samangara	22 June 2010	22 August 2012	376952852	18 December 2012	12	365	45234342	792	98152326	52917984

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Sl. No.	LA case No./village	Area in acre	No. of land losers	Name of Requisitioning Officer	Purpose of acquisition	Date of publication of notification under Section 4 (1)	Date of award for compensation	Value of land including trees & structure awarded (₹)	Date of handing over possession to RO	Amount of additional compensation at the rate of 12 per cent per annum (in ₹)			Under-assessment		
										Amount of additional compensation awarded		Amount of additional compensation due as per provision			
										No. of months of	No. of days			Period in days	
5	6/2009/ Uttarakona	16.270	354			03 June 2010	20 July 2012	2267683	27 November 2012	18	548	408183	778	580030	171847
6	9/2009/ Batagaon	3.710	125			21 June 2010	28 June 2012	3689384	27 November 2012	18	548	664089	738	895156	231067
<b>Total</b>		<b>306.248</b>	<b>2410</b>					<b>443079685</b>				<b>55433424</b>		<b>119555401</b>	<b>64121977</b>

(Source: Record and information supplied by LAO, Collectorate, Puri)

**Appendix 3.8.1**  
**(Refer Paragraph 3.8)**

**Statement showing unauthorised parking of fund in current account: loss of interest**

Sl. No.	Name of Bank and account No.	Type of account	Name of the Office	Nature of fund kept in Bank account	Period of retention	Minimum balance in bank account during the period with date	Maximum balance in bank account during the period with date	Loss of interest at borrowing rate of 5.60 per cent per annum
1	State Bank of India (Account No. 10913105822)	Current	Collectorate, Puri	Drawals from treasury for schemes on Sate Disaster Management, Emergency related fund, etc.	October 2011-September 2012 October 2012-September 2013 October 2013-September 2014 October 2014-September 2015	19565667 95492136 70315947 54875887	469672441 169337726 158559069 230745096	1095677 5347560 3937693 3073050
<b>Total</b>								<b>13453980</b>
2	State Bank of India, Chatrapur, Ganjam (Account No.10603377560)	Current	Collectorate, Ganjam at Chatrapur	Disaster relief fund	2013-14 2014-15	4473286 172174620	199614319 194411538	250504 9641779
<b>Total</b>								<b>9892283</b>
<b>Grand total</b>								<b>23346263</b>

*(Source: Information and records supplied by Collectorate, Puri and Ganjam)*

**Appendix 3.9.1**

*(Refer Paragraph 3.9)*

**Statement showing year-wise break up of outstanding Inspection Reports/  
Paragraphs issued up to March 2015 but not settled by June 2015**

<b>Year</b>	<b>Inspection Reports</b>	<b>Paragraphs</b>
1980-81	5	25
1981-82	3	11
1982-83	5	8
1983-84	7	19
1984-85	10	33
1985-86	10	23
1986-87	25	76
1987-88	31	72
1988-89	42	74
1989-90	42	102
1990-91	53	122
1991-92	105	272
1992-93	98	248
1993-94	110	324
1994-95	174	492
1995-96	196	565
1996-97	212	646
1997-98	242	768
1998-99	301	809
1999-00	300	953
2000-01	307	915
2001-02	330	975
2002-03	372	1228
2003-04	472	1673
2004-05	466	1679
2005-06	441	1364
2006-07	629	2236
2007-08	883	3180
2008-09	980	4350
2009-10	1135	5242
2010-11	1307	7007
2011-12	453	2218
2012-13	104	906
2013-14	57	495
2014-15	185	1809
<b>Total</b>	<b>10092</b>	<b>40919</b>

## Appendix 3.9.2

(Refer Paragraph 3.9)

Statement showing department-wise Inspection Reports/ Paragraphs issued up to March 2015 but not settled by June 2015

Sl. No.	Name of the Department	Reports awaiting settlement (up to June 2015)		Reports awaiting settlement for more than 10 years		Reports to which first reply not received
		No. of Reports	No. of Paragraphs	No. of Reports	No. of Paragraphs	No. of Reports
1	Culture	27	93	11	28	0
2	Electronics and Information Technology	11	83	3	15	2
3	Finance	20	45	5	5	2
4	Food Supplies & Consumer Welfare	155	433	16	25	19
5	General Administration	9	27	2	10	0
6	Health & Family Welfare	997	2825	462	1232	169
7	Higher Education	377	1867	107	272	122
8	Home	112	283	21	39	3
9	Housing and Urban Development	319	3920	51	732	242
10	Information & Public Relations	70	237	29	64	13
11	Labour and Employees' State Insurance	28	114	1	1	0
12	Law	103	308	40	114	27
13	Panchayati Raj	3493	16340	1287	4730	240
14	Parliamentary Affairs	15	40	6	10	1
15	Planning & Convergence	66	245	11	30	18
16	Public Enterprises	2	5	0	0	0
17	Public Grievances & Pension Administration	2	3	0	0	1
18	Revenue & Disaster Management	1717	4796	660	1390	338
19	Rural Development	408	1328	128	235	11
20	School & Mass Education	988	3132	476	1338	238
21	Science & Technology	14	80	10	50	1
22	ST & SC Development, Minorities & Backward Classes Welfare	361	1707	132	333	50
23	Sports & Youth Services	39	125	22	64	23
24	Women & Child Development	759	2883	438	1395	270
<b>Total</b>		<b>10092</b>	<b>40919</b>	<b>3918</b>	<b>12112</b>	<b>1790</b>

**Appendix 3.9.3**  
*(Refer Paragraph 3.9.1)*

**Statement showing department-wise analysis of non-submission of explanatory notes in respect of paragraphs including Performance Audits/ Reviews included in the Audit Reports as on 30 September 2015**

Sl. No.	Department	2003-04	2004-05	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total (in numbers)
1	Higher Education	-	-	-	-	-	2.4 (R)	-	-	3.1 3.3	3.1	03 R-01
2	Health & Family Welfare	-	-	-	-	-	-	-	-	-	3.3	01
3	Housing & Urban Development	-	-	-	3.3 (R)	3.1.3 3.2.2 8.8 (RR)	3.2.2 3.2.4	3.8	2.2 (R)	3.7	3.5 3.8 3.9	09 R-02
4	Planning & Convergence	3.3 (R)	-	KBK (R) (SA)	-	-	-	-	Boudh (SA)	-	2.1(R) 3.1	01 R-04
5	Rural Development	3.3 (R)	-	-	-	-	-	3.2	-	3.1 3.2	3.2	04
6	Food Supplies & Consumer Welfare	-	3.1 (R)	-	-	-	-	-	-	3.3	-	01 R-01
7	Revenue & Disaster Management	-	-	-	-	-	-	-	-	3.6 2 (R)	2.1(R)	01 R-02
8	School & Mass Education	3.3(R)	-	-	-	-	-	-	-	3.8	3.6	02
9	ST & SC Development, Minorities and Backward Classes Welfare	-	-	-	-	-	-	-	-	3.4	3.4	02
10	Panchayati Raj	-	-	-	-	-	-	-	-	-	3.5	01
11	Labour and ESI	-	-	-	-	-	-	-	-	-	3.3	01
12	Electronics & Information Technology	-	-	-	-	-	-	-	-	-	3.6	01
13	Law	-	-	-	-	-	-	-	-	-	3.7	01
	<b>Total</b>	<b>R-01</b>	<b>R-01</b>	<b>R-01</b>	<b>R-01</b>	<b>03</b>	<b>02</b> <b>R-01</b>	<b>02</b>	<b>R-02</b>	<b>09</b> <b>R-01</b>	<b>12</b> <b>R-02</b>	<b>28</b> <b>R-10</b>

R –Performance Reviews; RR-Revenue Receipt; SA-Stand Alone

Para 3.3 (R)/ 2003-04 relates to S&ME, P&C and RD Department and taken as one para under P&C Department.

Para 3.5 relates to H&UD and PR Departments

**Appendix 3.9.4**  
**(Refer Paragraph 3.9.2)**

**Statement showing department-wise position of Action Taken Notes (ATNs) on Recommendations of PAC (10<sup>th</sup> Assembly to 14<sup>th</sup> Assembly) including pending for discussion as on 30 September 2015**

Sl. No.	Name of the Department	10 <sup>th</sup> Assembly (1990-1995)						11 <sup>th</sup> Assembly (1995-2000)						12 <sup>th</sup> Assembly (2000-2004)						13 <sup>th</sup> Assembly (2004-2009)						14 <sup>th</sup> Assembly (2009-2014)						Total		
		Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	ATNs received	ATNs not received	ATNs pending for discussion						
1	Finance	Nil	Nil	4	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	4	4	4					
2	Food Supplies & Consumer Welfare	Nil	Nil	Nil	Nil	23	Nil	Nil	Nil	17	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	40	40	40					
3	General Administration	13	Nil	5	Nil	Nil	Nil	Nil	Nil	7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	25	25	25					
4	Health & Family Welfare	23	Nil	35	3	11	Nil	Nil	Nil	17	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3	86	83						
5	Higher Education	20	1	5	Nil	11	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1	36	35	35						
6	Home	8	Nil	23	Nil	13	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	44	44	44						
7	Housing & Urban Development	30	Nil	28	Nil	5	Nil	Nil	Nil	18	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	81	81	81						
8	Information & Public Relations	2	Nil	7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	9	9	9						
9	Labour & ESI	Nil	Nil	Nil	Nil	15	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	16	16	16						
10	Law	5	Nil	6	1	Nil	Nil	Nil	Nil	18	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5	29	23	23						
11	Panchayat Raj	4	Nil	1	Nil	2	Nil	Nil	Nil	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	13	13	13						

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Sl. No.	Name of the Department	10 <sup>th</sup> Assembly (1990-1995)		11 <sup>th</sup> Assembly (1995-2000)		12 <sup>th</sup> Assembly (2000-2004)		13 <sup>th</sup> Assembly (2004-2009)		14 <sup>th</sup> Assembly (2009-2014)		Total		
		Total recom-mendations	ATNs not received	Total recom-mendations	ATNs not received	ATNs not received								
12	Planning & Convergence	9	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	9	Nil	9
13	Public Enterprises	Nil	Nil	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil	3	Nil	3
14	Revenue & Disaster Management	10	Nil	18	1	Nil	Nil	11	Nil	Nil	Nil	39	1	38
15	Rural Development	51	4	18	2	Nil	Nil	16	4	4	Nil	89	10	79
16	ST & SC Development, Minorities & Backward Classes Welfare	Nil	Nil	8	Nil	Nil	Nil	Nil	Nil	Nil	Nil	8	Nil	8
17	School & Mass Education	25	Nil	4	Nil	16	Nil	Nil	Nil	Nil	Nil	45	Nil	45
18	Science & Technology	Nil	Nil	7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	7	Nil	7
19	Sports & Culture	Nil	Nil	5	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5	Nil	5
20	Women & Child Development	33	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil	2	36	Nil	36
<b>Total</b>		<b>233</b>	<b>5</b>	<b>175</b>	<b>7</b>	<b>99</b>	<b>0</b>	<b>107</b>	<b>9</b>	<b>10</b>	<b>0</b>	<b>624</b>	<b>21</b>	<b>603</b>

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**GLOSSARY**

AAP	Annual Action Plan
ACA	Additional Central Assistance
AWP&B	Annual Work Plan and Budget
BCP	Business Continuity Plan
BDO	Block Development Officer
BKGY	Biju Kandhamal O Gajapati Yojana
BPR	Business Process Re-engineering
BPRD	Bureau of Police Research and Development
CMGI	Centre for Modernising Government Initiatives
CVE	Common Vulnerabilities and Exposure
CWA	Constituency-wise Allotment
DBA	Database Administrator
DC	Development Commissioner
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DGP	Director General of Police
DGS&D	Director General of Supplies and Disposal
DPC	District Project Co-ordinator
DPMU	District Planning and Monitoring Unit
DPR	Detailed Project Report
DRDA	District Rural Development Agency
DSC	Digital Signature Certificate
E&IT	Electronics and Information Technology
EA	Executing Agency
EBB	Educationally Backward Block
EC	Executive Council
EE	Executive Engineer
EPF & MP	Employees' Provident Fund and Miscellaneous Provisions
EPFO	Employees' Provident Fund Organisation
FC	Finance Commission
GA	General Administration
GC	Governing Council
GER	Gross Enrolment Ratio
GoI	Government of India
GoO	Government of Odisha
GPS	Global Positioning System
HLMC	High Level Monitoring Committee
HRMS	Human Resources Management System
HTTP	Hypertext Transfer Protocol
IEDSS	Inclusive Education for Disabled at Secondary Stage
IT	Information Technology
JPI	Joint Physical Inspection
LAO	Land Acquisition Officer
LD	Liquidated Damage
LDAP	Lightweight Directory Access Protocol
LPS	Leave Processing System
NGO	Non-Government Organisation

OCAC	Odisha Computer Application Centre
OGRB	Odisha Government Rules of Business
OKCL	Odisha Knowledge Corporation Limited
OMSM	Odisha Madhyamik Shiksha Mission
OPWD	Odisha Public Works Department
OSI	Odisha Secretariat Instruction
OSPHWC	Odisha State Police Housing and Welfare Corporation Limited
OSWAS	Odisha Secretariat Workflow Automation System
OTC	Orissa Treasury Code
OTELP	Odisha Tribal Empowerment and Livelihood Programme
P&C	Planning and Convergence
PAB	Project Appraisal Board
PET	Physical Education Teacher
PL	Personal Ledger
PMGSY	Pradhan Mantri Gram Sadak Yojana
PO	Programme Officer
PRI	Panchayati Raj Institution
PST	Programme Set-up Team
PTA	Parent Teacher Association
PTS	Police Training School
RD	Rural Development
RFP	Request for Proposal
RIDF	Rural Infrastructure Development Fund
RLTAP	Revised Long Term Action Plan
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
RSWOR	Random Sampling without Replacement
RW	Rural Works
RWSS	Rural Water Supply and Sanitation
S&ME	School and Mass Education
SCSP	Scheduled Castes Sub-Plan
SDRF	State Disaster Relief Fund
SECLAN	Secretariat Local Area Network
SH	Shopping Hall
SHG	Self Help Group
SLA	Service Level Agreement
SLIC	Secretariat Level Implementation Committee
SMC	School Management Committee
SMDC	School Management and Development Committee
SOR	Schedule of Rates
SPD	State Project Director
SRS	Software Requirement Specification
SSL	Secure Sockets Layer
TASP	Tribal Area Sub-Plan
TCS	Tata Consultancy Service
TGT	Trained Graduate Teacher
UC	Utilisation Certificate
UDISE	Unified District Information System for Education
URS	User Requirement Specification

VAT	Value Added Tax
VEC	Village Education Committee
VLL	Village Level Leader

