



**Report of the
Comptroller and Auditor General of India
on
Local Bodies
for the year ended March 2021**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Odisha
Report No. 3 of the year 2023

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Preface

This Report for the year ended March 2021 has been prepared for submission to the Governor of Odisha under CAG's DPC Act, 1971.

The Report contains significant results of the audit of the Panchayati Raj Institutions and Urban Local Bodies in the State.

The issues observed in the course of test audit for the period 2020-21 as well as those issues, which came to notice in earlier years but could not be dealt with in the previous Reports, 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.

Overview

OVERVIEW

The Panchayati Raj Institutions and Urban Local Bodies in Odisha, fall under the Panchayati Raj and Drinking Water Department and Housing and Urban Development Department, respectively. This Report of the Comptroller and Auditor General of India, on the Local Bodies of the Government of Odisha, includes the results of two Performance Audits, three Detailed Compliance Audits, findings of District Centric Audit on ULBs and six Draft Paragraphs of ULBs. These include:

- Performance Audit on Implementation of the PMAY-G
- Detailed Compliance Audit on Utilisation of 14th FC Grants received by PRIs
- Detailed Compliance Audit on Utilisation of Ama Gaon and Ama Bikash Scheme Funds
- Detailed Compliance Audit on Implementation of Swachh Bharat Mission-Gramin
- Performance Audit on the Efficacy of implementation of the 74th Constitution Amendment Act, with focus on 3Fs-Fund, Functions and Functionaries
- District-Centric Audit on ULBs

An overview of the significant Audit observations is discussed below:

Panchayati Raj and Drinking Water Department

Performance Audit on Implementation of the PMAY-G

- There was exclusion of 8.59 lakh beneficiaries, who had been deemed eligible by the Gram Sabhas, from the Permanent Wait List.

(Paragraph 2.1.5.1).

- There was non-adherence to priority numbers in sanction of houses under PMAY-G and the priority number issued were violated while sanctioning houses in all 24 test checked PSs.

(Paragraph 2.1.5.6)

- Fraudulent work orders were issued and payments were released to non-beneficiaries.

(Paragraph 2.1.5.7)

- The mason training conducted was doubtful, since no detailed information, on the number of houses tagged, number of houses completed through mason training, *etc.*, could be made available. Further, instances of tagging of masons to houses after completion of construction of houses, showing masons as having worked in both PMAY-G work and MGNREGS works on the same days were noticed.

(Paragraph 2.1.5.10)

- As 0.41 lakh houses could not be sanctioned, the State would have to bear avoidable financial burden of ₹295 crore.

(Paragraph 2.1.6.3)

- Incomplete houses were shown as completed in AwaasSoft, houses were constructed for commercial purposes, and construction of large size houses were noticed.

(Paragraph 2.1.6.5)

- Beneficiaries were deprived of basic amenities, like drinking water, toilet, electricity, etc., due to failure in converging funds from other relevant schemes. Out of 647 completed houses verified in audit, 347 houses had no toilets, 122 houses had no drinking water facilities, 199 houses had no electricity connection, 291 houses had no LPG provision and 22 houses had no approach road.

(Paragraph 2.1.7)

- There was also irrational provision of wage payment in convergence with MGNREGS, as either full wage components were paid before release of the first instalment or wages were not paid even after completion of houses up to the roof level.

(Paragraph 2.1.7.1)

- Apart from the State Nodal Account for PMAY-G, another account in ICICI bank was operated and ₹18.10 crore was irregularly transferred to the account.

(Paragraph 2.1.8.1)

- In 41,146 cases, the first instalments were released to the concerned beneficiaries, with delays ranging from 07 to 1,576 days.

(Paragraph 2.1.8.3)

- Out of Administrative funds, ₹7.83 crore had been incurred on inadmissible items.

(Paragraph 2.1.8.7)

- The AwaasSoft data show incorrect information relating to geolocations of the houses in sampled districts as, in 3,521 cases, the houses were shown located outside the State.

(Paragraph 2.1.9.4)

Utilisation of 14th FC Grants received by PRIs

- In 20 test-checked GPs, 19 GPs had lost at least ₹68.66 lakh in Performance Grants, for the FYs 2018-19 and 2019-20, since they could not increase their own revenues.

(Paragraph 3.2.1)

- During FYs 2018-19 to 2020-21, 13 out of the 20 test-checked GPs, did not deposit Government receipt of ₹13.34 lakh (₹6.93 lakh royalty and ₹6.41 lakh labour cess) in the Government Account.

(Paragraph 3.2.3)

- There was expenditure of ₹52.98 lakh on inadmissible items, in 10 test checked GPs.

(Paragraph 3.2.4)

Utilisation of Ama Gaon and Ama Bikash Scheme Funds

- In two districts, 5,933 Projects had been approved at State level itself, without supporting documentation evidencing consolidation at the GP or Block levels, or being based on the suggestions made by local people or public representatives, *etc.*

(Paragraph 3.3.1)

- There was expenditure of ₹62.64 lakh on inadmissible items.

(Paragraph 3.3.2)

- Two BDOs had executed 68 works, at a cost of ₹1.50 crore, without administrative approval.

(Paragraph 3.3.4)

Implementation of Swachh Bharat Mission-Gramin

- During Joint Physical Inspection, it was seen that, in 562 IHHLs (98 *per cent*), there was no water connection. Out of these, 200 beneficiaries stated that they were using the IHHLs by manually carrying water from nearby wells/tube wells. The remaining 362 beneficiaries were not using the IHHL for the intended purpose and were, instead, using them for storing firewood, straw, *etc.*

(Paragraph 3.4.3)

Housing and Urban Development Department

Performance audit on Efficacy of implementation of 74th Constitution Amendment Act with focus on 3Fs-Fund, Functions and Functionaries

- Out of the 18 functions to be devolved, ULBs in Odisha exercise no role in one function, while all the other functions were either being partially carried out by ULBs, or the ULBs had overlapping jurisdictions with other parastatals, indicating that decentralised governance had not been achieved.

(Paragraph 5.3.2)

- Out of the 114 ULBs, elections had not been held in 112 ULBs, with delay ranging from 41 days to 3,252 days as of March 2021.

(Paragraph 5.3.3.2)

- There was a shortfall of ₹196.44 crore in fiscal transfers during the period from FY 2015-16 to FY 2019-20 vis-à-vis the recommendations of the SFC.

(Paragraph 5.4.1.1(iii))

- Against an allocation of ₹354.51 crore of performance grants by the 14th Central Finance Commission during FY 2016-17 to FY 2019-20, ULBs could not avail ₹286.25 crore, mainly due to non-compliance with urban reforms and deficiencies in attainment of the benchmark levels fixed by GoI.

(Paragraph 5.4.1.1(iv))

- Master Planning/Development Plans/Zonal Plans/Enforcing Master Planning regulations, which are to be performed by the ULBs, were being performed by the Development Authorities and District TPAs, in all 20 test-checked ULBs.

(Paragraph 5.5.1.1)

- The powers to promote officials, initiate disciplinary action, impose penalties, *etc.*, in respect of the officials of ULBs, other than on deputation, had also not been delegated to ULBs and were vested with the State Government.

(Paragraph 5.6.1.2)

- Huge vacancies across all cadres, specifically in crucial technical posts, resulted in the absence of adequate manpower for providing delivery of citizen-centric services.

(Paragraph 5.6.2)

- A number of posts in the ULBs were filled up through deputation, especially in the Group A and Group C cadres, impacting the effective functioning of the ULBs. This affected the accountability of such personnel, as ULBs had no direct administrative control over them.

(Paragraph 5.6.2.2)

District Centric Audit of ULBs

- In Sambalpur Municipal Corporation, as of November 2021, an amount of ₹8.12 crore had been lying unutilised since FY 2011-12, in the bank accounts of different schemes, although the concerned schemes had already been closed since March 2017.

(Paragraph 6.3.1)

- In the test-checked ULBs of the Cuttack and Sambalpur districts, holding tax, amounting to ₹14.72 crore, had remained unrealised, from various industrial units and Government institutions, during FYs 2018-19 to 2020-21.

(Paragraph 6.3.2.2)

- Against 468 food samples reports received by the Cuttack and Sambalpur Municipal Corporations, 109 samples had failed to meet the

prescribed standards. However, no Improvement Notices had been served to the Food Business Operators.

(Paragraph 6.4.2)

- There was unfruitful expenditure of ₹27.58 lakh, as 1,379 beneficiaries who were sanctioned IHHL during 2015-16 and received the first instalments, had neither completed the IHHLs, nor refunded the amount to ULBs.

(Paragraph 6.5.6)

- Joint Physical Inspection of Community toilets showed that, in many of the toilets, there were no water connections, no electricity connections, lack of repair and maintenance, lack of cleanliness and wastewater letting to nearby rivers.

(Paragraph 6.5.7)

- During FYs 2016-17 to 2019-20, funds amounting to ₹18.37 crore had been disbursed to 1,763 PMAY-U beneficiaries. However, these houses had not been completed, resulting in unfruitful expenditure of ₹18.37 crore, as the possibility of completion of these houses was remote.

(Paragraph 6.6.3)

- Non-levy of revised rental fees, by the Cuttack Municipal Corporation, resulted in loss of revenue of ₹2.73 crore.

(Paragraph 6.7.1)

- Lack of coordination, between BMC and BDA, led to a missing link in a drain, constructed at a cost of ₹4.98 crore, resulting in obstruction of storm water and inundation during heavy rains.

(Paragraph 6.7.2)

- Non-reduction of the contracted rate, by the Cuttack Municipal Corporation, for transporting municipal solid waste, despite the availability and use of a shorter route by the contractor(s), led to extra/avoidable payment of ₹0.76 crore.

(Paragraph 6.7.3)

- Bhubaneswar Municipal Corporation diverted central funds, amounting to ₹5.02 crore, from a Centrally Sponsored Scheme to a State Plan Scheme.

(Paragraph 6.7.4)

- Lack of due diligence, by municipal authorities, led to fraudulent payment of old age pension of ₹2.18 lakh, against deceased beneficiaries.

(Paragraph 6.7.5)

- Absence of internal control and non-monitoring of advances paid to staff and agencies, resulted in non-adjustment/non-recovery of ₹4.70 crore.

(Paragraph 6.7.6)

PART-A

CHAPTER 1

An Overview of Panchayati Raj Institutions

CHAPTER I

Section A
An Overview of the Functioning of the Panchayati Raj Institutions in the State

1.1 Introduction

Panchayati Raj Institutions (PRIs) came into existence in Odisha from 1948, with the enactment of the Orissa Gram Panchayat Act, 1948. Subsequently, the Orissa Panchayat Samiti and Zilla Parishad Act, 1959, was enacted in 1961 and the three tier system of PRIs was established in the State. All these Acts were amended in conformity with the 73rd Constitutional Amendment Act, 1992, for empowering the PRIs to function as institutions of self-government, to accelerate economic development and ensure social justice in rural areas.

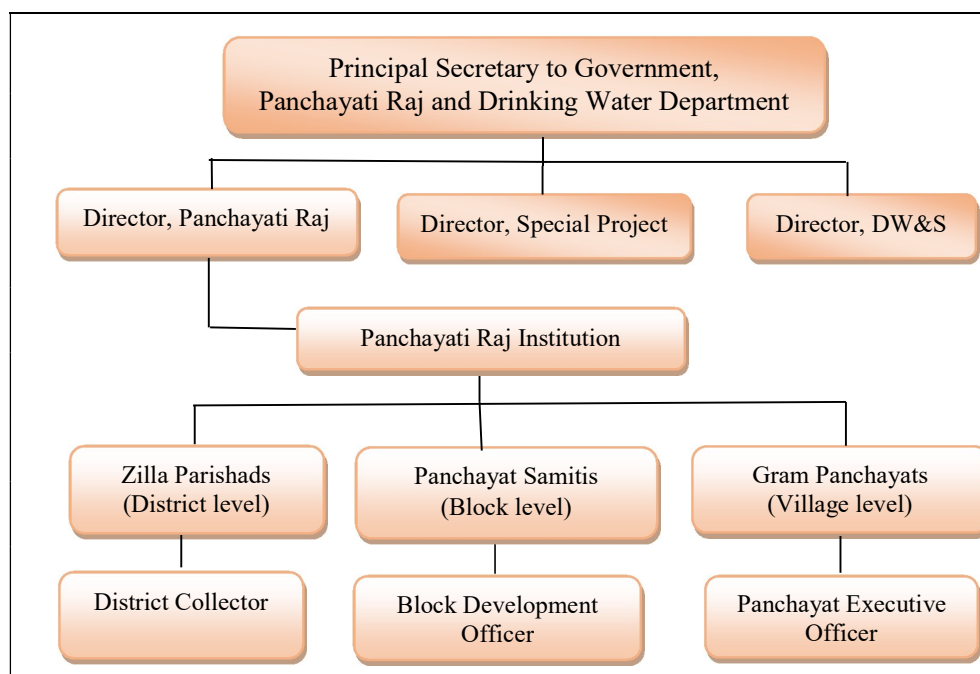
Table 1.1: State profile

Indicators	State statistics	Unit
Area	1,55,707	Square km
Tahsils	317	Number
Villages	51,349	Number
Total population (Census 2011)	419.74	Lakh
Rural population	83	<i>Per cent</i>
Rural sex ratio	989	Per 1,000 male
Density	270	Persons/ Square km.
Male literacy	81.59	<i>Per cent</i>
Female literacy	64.01	<i>Per cent</i>
Rural literacy rate	70.22	<i>Per cent</i>
Scheduled Caste population	17.13	<i>Per cent</i>
Scheduled Tribe population	22.85	<i>Per cent</i>
Zilla Parishads	30	Number
Panchayat Samitis	314	Number
Gram Panchayats	6,794	Number
Total villages	61,313	Number

(Source: Census of India 2011 and information furnished by PR& DW Department)

1.2 Organisational Setup of PRIs

PRIs are classified into three tiers, viz. Zilla Parishads (ZPs), Panchayat Samitis (PSs) and Gram Panchayats (GPs). The organisational set up of the PRIs is indicated overleaf.



All the three tiers of PRIs function under the administrative control of the Panchayati Raj and Drinking Water (PR&DW) Department, headed by the Principal Secretary. He is assisted by the Director, Panchayati Raj, the Director Special Projects and the Director, Drinking Water & Sanitation at the State level.

Each of the 30 districts of the State has a Zilla Parishad. It is managed by an elected body, headed by a President, who is elected from amongst the elected representatives of the ZP. The District Collector acts as the *ex-officio* Chief Executive Officer (CEO) of the ZP. The Project Director of District Rural Development Agency (DRDA) concerned acts as the *ex-officio* Executive Officer (EO), for discharging the day-to-day administrative functions of the ZP.

The PS, functioning at the Block level, is managed by an elected body, headed by a Chairman. The Chairman is duly elected from amongst the elected representatives of the Block. The Block Development Officer (BDO) acts as the executive head of the PS.

At the GP level, the elected members, headed by a Sarpanch, constitute the GP. The Panchayat Executive Officer (PEO) discharges his/her duties under the supervision of the BDO. He / She is responsible for general superintendence and overall control of the GP.

Elections to the PRIs, at all tiers, were last conducted in February 2022. The setup of the elected bodies of the PRIs, is as follows:

ZILLA PARISHAD	PANCHAYAT SAMITI	GRAM PANCHAYAT
PRESIDENT	CHAIRMAN	SARPANCH
ZP MEMBERS	PS MEMBERS	WARD MEMBERS

1.3 Functioning of PRIs

Article 243 of the Constitution prescribes the powers, resources and responsibilities, to be devolved to the elected local bodies, by State Governments. It enjoins upon the State Legislatures, to enact laws/amend existing laws, devolving/ transferring the 29 subjects listed in the Eleventh Schedule of the Constitution of India, to the PRIs. This is expected to lead to the PRIs emerging as platforms for planning and implementation of programmes for economic development and social justice for rural people.

Out of 29 subjects of 19 Departments, the State Government transferred 21 subjects of 11 Departments, to the PRIs (*Appendix-1.1*). The State Government provides funds, along with the grants recommended by the Central Finance Commissions and the State Finance Commissions. These funds are intended to aid the PRIs in the discharge of their functions.

1.4 Staffing pattern of PRIs

The Collector of the district is the *ex-officio* CEO of the ZP. He exercises such powers and performs such functions, as are prescribed. The Project Director, District Rural Development Agency (DRDA), is the *ex-officio* Secretary of the ZP. Every PS is required to have a BDO, who is assisted by an Additional Block Development Officer (ABDO).

Similarly, every GP is required to have a PEO, who is a State Government official. The PEO maintains the records of the proceedings of the meetings of GPs. He/she also functions as the custodian of all such records and documents, cash and valuable securities of the GP. He/she also exercises such other powers, discharges such other duties and performs such other functions, as may be prescribed.

The sanctioned strength, *vis-à-vis* the persons-in-position, in PSs and GPs of the State, are shown in *Table 1.2*.

Table 1.2: Sanctioned strength vis-à-vis men-in-position, in PSs and GPs

Post	Sanctioned strength	Men-in-position	Vacancies (<i>per cent</i>)
BDOs	314	308	6 (2)
ABDOs	314	204	110 (35)
Junior Engineers (JEs)/Gram Panchayat Technical Assistants (GPTAs)	3,606	1,893	1,713 (48)
PEOs	6,799	4,896	1,903 (28)

(Source: Information collected from the PR&DW Department)

It can be seen from the table that there was 35 *per cent* vacancy against the posts of ABDOs in PSs, 48 *per cent* vacancy against the posts of JEs/GPTAs and 28 *per cent* vacancy against the post of PEOs in GPs. These being administrative posts, the huge vacancies were likely to affect the functioning of the PRIs.

1.5 Functioning of various committees

To execute the functions of PRIs, seven Standing Committees are to be constituted, at each level of the PRI system (i.e. at each of the ZP, PS and GP levels). The Chairman and the Secretary are to be elected from among the elected representatives. The roles and responsibilities of the Standing Committees are given in *Appendix-1.2*.

Further, MoRD issued (July 2016) guidelines for the formation of District Development Coordination and Monitoring (Disha) Committee, superseding the erstwhile Vigilance Monitoring Committee. The Disha Committees, at the State and Districts, are expected to: (i) ensure quality of expenditure (ii) bring about optimization of public funds spent under different programmes (iii) monitor the implementation of various programmes, in accordance with prescribed guidelines and (iv) promote synergy and convergence of different programmes.

At the State level, the Chief Minister is the Chairman of the Disha Committee and the Secretary, PR&DW Department, is the Member Secretary. Other members of the committee, *inter alia*, include four MPs (Lok Sabha), one MP (Rajya Sabha), six MLAs and Secretaries of the Departments responsible for different programmes. The Committee is required to meet at least once in every six months.

The Chairperson of the district level Disha Committee is an MP (Lok Sabha), elected from the district. The other MPs, representing the district, are designated as Co-Chairpersons. The District Collector acts as the Member Secretary. The other members of the Committee, *inter alia*, include all Members of the State Legislative Assembly elected from the district; one representative of the State Government; five elected heads of GPs; Chairperson of the ZP; Chairperson of the PSs of the district; PD, DRDA; district level nodal functionaries of all programmes; and the Lead Bank Officer of the District. The Committees are required to meet at least once in every quarter.

During the FY 2020-21, no Disha meetings were held at the State level. At the district level, against the required four meetings, 20 districts had conducted one meeting each and three districts had conducted two meetings each. Seven districts had not conducted any meetings.

1.6 Fund flow arrangement

The main source of funds, of the PRIs in the State, was the Government of India (GoI), through various Centrally Sponsored Schemes (CSS). These schemes were i) Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) ii) Pradhan Mantri Awaas Yojana (PMAY) iii) National Rural Livelihood Mission (NRLM) iv) Swachha Bharat Mission (SBM) (v) National Rural Drinking Water Programme (NRDWP) etc. Grants received as per the recommendations of State Finance Commissions (SFCs) and the Central Finance Commissions (CFCs), were another source. Funds were also received under State sponsored schemes, such as the Biju Pucca Ghar Yojana (BPGY) and the Gopabandhu Gramin Yojana (GGY).

The position of funds available with PRIs and the expenditure incurred under various schemes of the GoI and Government of Odisha (GoO), is given in **Chart 1.1** and **Table 1.3**.

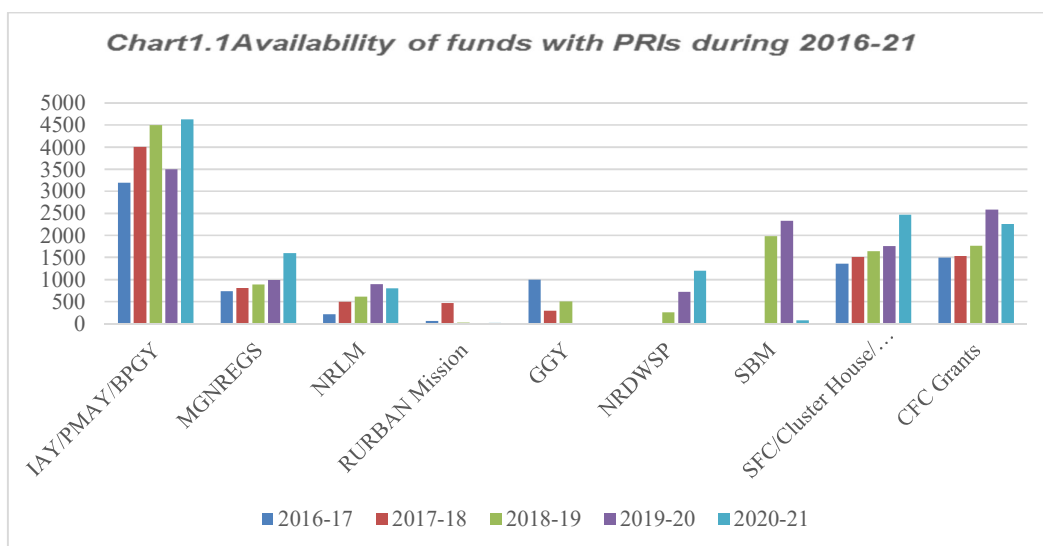


Table 1.3: Utilisation of funds by the PRIs during FYs 2016-17 to 2020-21

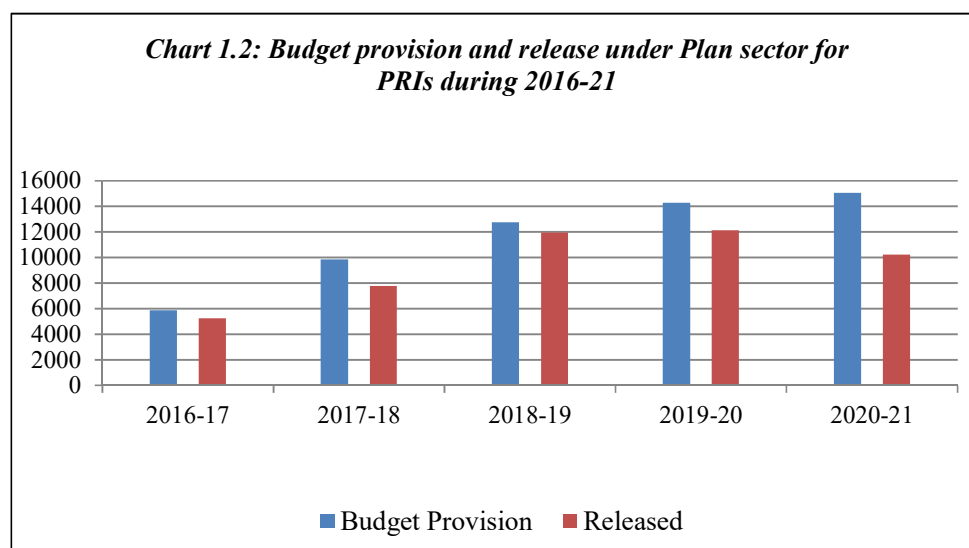
(₹ in crore)

Scheme	2016-17	2017-18	2018-19	2019-20	2020-21
IAY/PMAY/BPGY	3,190.88	4,004.64	4,502.92	3,496.38	4,628.76
MGNREGS	732.11	810.86	891.97	989.32	1,600.14
NRLM	216.75	493.49	610.29	897.19	804.63
RURBAN Mission	62.28	466.33	22.50	9.00	18.00
GGY	1,000.00	300.00	500.00	00	00
NRDWP	00	00	253.35	720.97	1,204.01
SBM	00	00	1,986.97	2,336.27	80.96
SFC/Cluster House/ CC Road	1,358.67	1,509.07	1,646.08	1,762.18	2,472.26
CFC Grants	1,496.64	1,528.71	1,768.44	2,585.94	2,258.00
Total	8,057.33	9,113.10	12,182.52	12,797.25	13,066.76

(Source: Information from the PR&DW Department)

As evident from **Table 1.3**, the expenditure during FY 2020-21, had increased by 62 per cent, over that of FY 2016-17. The major percentage of increase was in schemes like MGNREGS, NRLM, FC Grants and NRDWP.

Budget provisions, for plan and non-plan sectors, for PRIs, during the last five financial years, is shown in **Charts 1.2, 1.3** and **Table 1.4**.



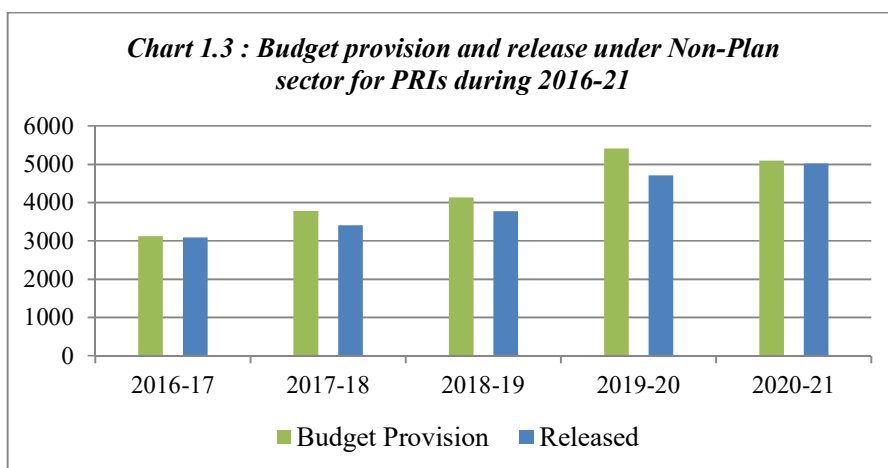


Table 1.4: Budget provision for plan and non-plan sectors for PRIs during the last five years

(₹ in crore)

Year	Plan		Non-Plan	
	Budget Provision	Release (per cent)	Budget Provision	Release (per cent)
2016-17	5,883.70	5,259.88 (89)	3,127.18	3,086.32 (99)
2017-18	9,855.94	7,774.10 (79)	3,789.64	3,407.57 (90)
2018-19	12,744.02	11,958.62 (94)	4,132.07	3,769.64 (91)
2019-20	14,280.68	12,144.42 (85)	5,416.18	4,712.89 (87)
2020-21	15,052.67	10,243.99 (68)	5,099.29	5,019.48 (98)

(Source: MIS Reports furnished by PR&DW Department)

As seen from Table 1.4, release of funds under the plan heads, during the FYs 2016-17 to 2020-21, ranged between 68 to 94 per cent of the corresponding budget provisions. Similarly, release of funds under non-plan heads, ranged between 87 to 99 per cent, during the FYs 2016-17 to 2020-21.

1.7 Recommendations of the State Finance Commissions (SFCs)

The 4th SFC (2015-20) had endeavored to assist and advise the State Government in developing the lowest tiers of democratic institution as responsible local government. Some of the recommendations were related to measures for strengthening the resource base of the Local Bodies, in order to help them evolve into responsible units of Local Self Governance. Its recommendations were grouped under the following four broad heads:

1. Institutional and structural strengthening
2. Resource generation and legal hurdles thereof
3. General issues and
4. Fund transfer

Similarly, the recommendations of the 5th SFC (2021-26) were grouped into following four broad heads:

1. Transfer of funds
2. Institutional strengthening
3. Measures needed to enhance the OSR of local bodies and
4. General issues

The total resource transfer (from State resources), to PRIs, recommended by the SFCs, for the period 2016-17 to 2020-21, is given in **Table 1.5**.

Table 1.5: Resource transfer recommended by the SFCs

(₹ in crore)						
Distribution mechanism	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Devolution	493.77	493.77	493.77	493.77	915.09	2,890.17
Assignment of Taxes	539.60	620.16	672.84	730.79	759.55	3,322.94
Grant-in-aid	368.43	455.12	539.20	581.72	978.99	2,923.46
Total	1,401.8	1,569.05	1,705.81	1,806.28	2,653.63	9,136.57

(Source: Report of the 4th and 5th SFC)

The State Government had released ₹2,485.59 crore, towards SFC award, to PRIs, during FY 2020-21.

1.8 Recommendations of the Central Finance Commissions (CFCs)

The 14th FC (2015-20) had recommended a Basic Grant and a Performance Grant to Rural Local Bodies. These grants were intended to be used for providing basic civic services, which included water supply, sanitation, sewerage management, solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street lightning and burial and cremation grounds. The States were given access to the basic grants for five years. However, the performance grants were to be released from the FY 2016-17, based on the fulfilment of certain performance parameters.

Similarly, the 15th FC recommended 50 percent Basic Grant and 50 percent Grant tied to (a) sanitation and maintenance of ODF status (b) supply of drinking water, rain water harvesting and water recycling.

Year-wise allocation of grants to Odisha, as recommended by the 14th and 15th FCs, is given in **Table 1.6**.

Table 1.6: Recommendations of the Central Finance Commissions

(₹ in crore)							
Sl. No.	Subject	2016-17	2017-18	2018-19	2019-20	2020-21	Total
1	Basic Grant	1,323.09	1,528.71	1,768.44	2,389.54	2,258.00 ¹	9,267.78
2	Performance Grant	173.55	196.40	223.04	292.05	0	885.04
Total		1,496.64	1,725.11	1,991.48	2,681.59	2,258.00	10,152.82

(Source: 14th and 15th FC Reports)

As per the recommendations, the State Government received ₹2,258 crore, towards 15th FC award, during FY 2020-21.

1.9 Audit mandate

1.9.1 Primary Auditor

The Director, Local Fund Audit (DLFA) is the primary Auditor of PRIs in the State. It is a directorate under the Finance Department of the State and functions under the Orissa Local Fund Audit Act, 1948. The DLFA conducts audit of PRIs of all 30 districts of the State, through 25 District Audit Offices. The status of audit of PRIs, by the DLFA, as of March 2021, is given in **Table 1.7**.

¹ Both – tied, as well as untied grants

Table 1.7: Status of audit of PRIs, by DLFA, as of March 2021

Year	Total number of PRIs planned for audit			Total number of PRIs audited			Shortfall (percentage)		
	GP	PS	ZP	GP	PS	ZP	GP	PS	ZP
2018-19	4,444	314	30	3,932	310	28	512 (12)	4(1)	2(1)
2019-20	3,941	314	30	3,425	305	30	516 (13)	9(3)	0 (0)
2020-21	3,762	314	30	2,543	304	27	1,229(32)	10 (3)	3(10)

(Source: Information furnished by Director, Local Fund Audit, Odisha)

The Government/DLFA had engaged (September 2010) the Institute of Public Auditors of India (IPAI), for audit of the accounts of GPs. The objective was to reduce the arrears in audit of GPs. The IPAI audited accounts of 627 GPs during FY 2020-21, on behalf of DLFA.

1.9.2 Audit by Comptroller and Auditor General of India

On the recommendation of the 13th FC, the State Government entrusted (April 2011) the Comptroller and Auditor General of India (CAG) with the audit of all the three tiers of PRIs of the State, under Section 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. In addition, the CAG was also requested to provide Technical Guidance and Support (TGS) to the State Audit Agency, viz. DLFA for audit of Local Bodies. The Government notified (July 2011) the parameters of the TGS in the Official Gazette. Under the TGS arrangement, DLFA staff were imparted training, topics were suggested for Thematic Audit and guidance was issued for conducting Thematic Audit.

1.10 Reporting Arrangement

1.10.1 Audit Report of Primary Auditor

As per the recommendations of the 13th FC and provisions of the OLFA (Amendment) Rules, 2015, DLFA shall prepare and submit to the State Government, not later than 30th September of each year, a consolidated report for the previous year, to be laid before the State Legislature. The Audit Report for FY 2019-20 was laid before the Odisha legislative Assembly on 8 September 2021.

1.10.2 CAG's Report on Local Bodies

The Report of the CAG of India on Local Bodies, for the year ended March 2017, was laid in the Odisha Legislative Assembly, on 26 March 2018.

1.10.3 Response to Audit Observations

During FY 2020-21, 554 Inspection Reports (IRs) and 3,484 paragraphs were settled through Triangular Committee Meetings² and review at the Headquarters level. As on 31 March 2021, 16,072 paragraphs, relating to 3,472 IRs, remained unsettled.

The Office of the Principal Accountant General (Audit-I), Odisha, issued nine Annual Technical Inspection Reports (ATIRs) on PRIs, relating to the FYs 2005-06 to 2014-15. CAG's Report on Local Bodies, for the years ended March 2016 and 2017, were prepared during FY 2016-17 & FY 2017-18 and were placed in the Legislative Assembly on 16 September 2017 and 26 March 2018,

² Triangular Committee meetings are held between the representatives of the concerned Administrative Departments, Executing Agencies and Audit, for expeditious settlement of old outstanding Inspection Reports/ Paragraphs.

respectively. Observations on PRIs, for the financial years ending March 2019 and 2020, were reported in CAG's G&SSA Report and placed in the Legislature on 3 April 2021 and 10 December 2021, respectively. In response to the reports issued, the PR&DW Department had issued guidelines to the PD, DRDAs, and BDOs, for avoiding common audit objections. The Department had also constituted (February 2015) District Audit Monitoring Committees, to review compliance to Audit Reports.

Section B
Accountability Mechanism and Financial Reporting Issues

1.11 Accountability Mechanism

(i) Ombudsman

Ombudsman is an Institution formed under Section 27 of MGNREGA, to function as an independent grievance redressal body, at the district level, to hear complaints relating to implementation of the MGNREG Act and the schemes made under the Act. It directs the appropriate authorities for redressal, disciplinary and corrective action and reports the awards to the District Programme Coordinator and Secretary, State Nodal Department. The Tenure of the Ombudsman is two years and is extendable not more than twice, by one year each. During FY 2020-21, 10 Ombudsmen were appointed, for redressal of grievances and disposal of complaints relating to the MGNREG Act.

(ii) Lokayukta

The President accorded his approval to the Odisha Lokayukta Bill in January 2015. Accordingly, the State Government established (March 2019) the Lokayukta. As per Section 3 of the Odisha Lokayukta Act, 2014, the body shall consist of a Chairperson and five members. During FY 2020-21, the body was functioning with the Chairperson and three members.

(iii) Social Audit

The State has constituted an independent Social Audit Unit (SAU), namely the Odisha Society for Social Audit Accountability and Transparency. As of March 2021, the SAU was functioning with one Director and six Social Audit Experts. Further, there were 29 District Resource Persons at the district level, 223 Block Resource Persons at the PS level and 9,596 Village Resource Persons at the GP level. Social Audit was being conducted at the GP level, twice a year, for MGNREGS works and other social security programmes.

1.12 Pending submission of Utilisation Certificate (UC)

It was observed that, five out of eight PSs, audited during FY 2020-21, had not submitted UCs, amounting to ₹47.99 crore, against the total expenditure of ₹117.48 crore.

1.13 Outstanding Advances

During the audit of eight PSs, Audit observed that advances of ₹13.12 crore had remained unadjusted, as on March 2021. The details of such advances, viz. the dates and purposes of the payments made, could not be ascertained in audit, due to non-maintenance of Advance Registers by the PSs.

1.14 Non-reconciliation of balances as per the Cash Book

During FY 2020-21, in seven out of eight PSs, Audit observed discrepancies of ₹ 11.46 crore, between the balances in the Cash Books and Bank Pass Books, due to non-reconciliation of the Bank Statements and Cash Books.

1.15 Maintenance of Accounts by PRIs

- Accounts of PSs are prepared by the respective PSs and Chartered Accountants are engaged for the maintenance of GP Accounts. Accounts

of the PRIs are certified by the Director, Local Fund Audit, as per Rule 20 (h) of the Orissa Local Fund Audit Rules, 1951.

- During FY 2020-21, while the accounts of 4,106 PRIs were planned for audit, only 2,874 Accounts were certified by the Director, Local Fund Audit.
- In order to strengthen e-Governance in PRIs, the MoRD launched (April 2020) e-GramSwaraj, a simplified Work Based Accounting Application. As of March 2021, all the PRIs in Odisha had uploaded their vouchers in the e-GramSwaraj.

CHAPTER 2

Performance Audit of schemes of PRIs

CHAPTER 2

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

Executive Summary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.1.1 Introduction

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

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

The key features of the PMAY-G are:

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

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

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

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

⁴ In Odisha, assistance is provided in four instalments.

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

2.1.2 Audit Objectives

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

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

2.1.3 Audit Criteria

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

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

2.1.4 Audit coverage and methodology

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

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

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

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

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

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

Audit Findings

2.1.5 Identification of beneficiaries

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

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

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

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

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

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

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

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

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

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

2.1.5.2 Erroneous deletion from PWL

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

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

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

⁹ Out of 8.49 lakh SC/ST beneficiaries

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

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

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

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

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

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

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

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

2.1.5.4 *Surrender of targeted houses*

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

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

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

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

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



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

2.1.5.5 Non-preparation of Annual Select Lists by Blocks

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

2.1.5.8 Non-preparation of Comprehensive Annual Action Plans of Districts

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

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

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

Audit noted that:

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

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

Table-2.1: Activities approved in the Empowered Committee

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

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

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

2.1.5.9 Non-adoption of House Design Typologies by the beneficiaries

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

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

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

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

¹⁴ Extended up to June 2020

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

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

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

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

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

2.1.5.10 Doubtful Mason Training

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

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

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

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

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

(i) Assignment of inadequate targets to the trainees:

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

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

(ii) Doubtful payment of wage compensation:

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

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

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

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

¹⁶ 920 trainees X 5 houses

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

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

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

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

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

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

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

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

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

2.1.5.11 Inadequate reservation for Persons with Disabilities

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

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

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

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

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

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

(Source: Information furnished by PR&DW Department)

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

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

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

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

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

2.1.5.12 Provision of house sites to landless beneficiaries

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

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

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

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

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

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

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

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

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

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

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

Recommendations:

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

2.1.6 Physical Progress of the Scheme in the State

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

2.1.6.1 Target and Achievement

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

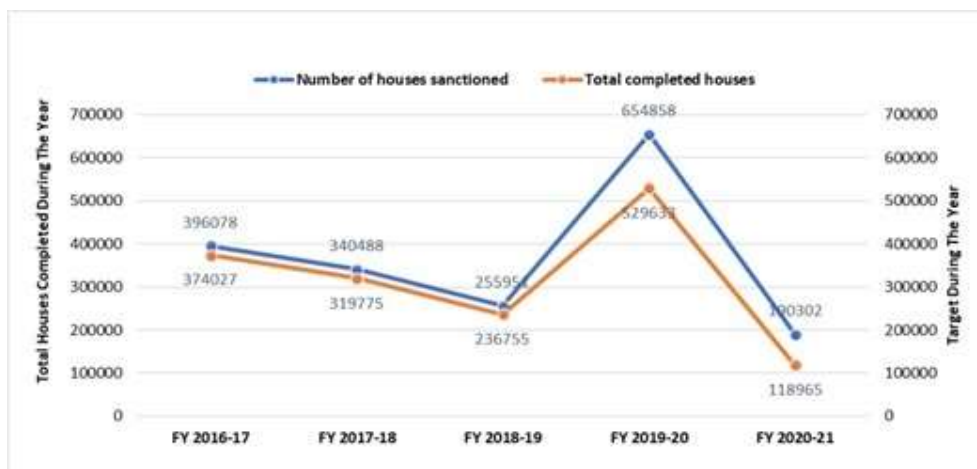
Table 2.3: Target and Achievement (figures in lakh)

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

(Source: Information furnished by PR&DW Department)

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

Chart-2.1: Targets and achievements



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

2.1.6.2 Incomplete Houses

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

Table 2.4: Incomplete Houses

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

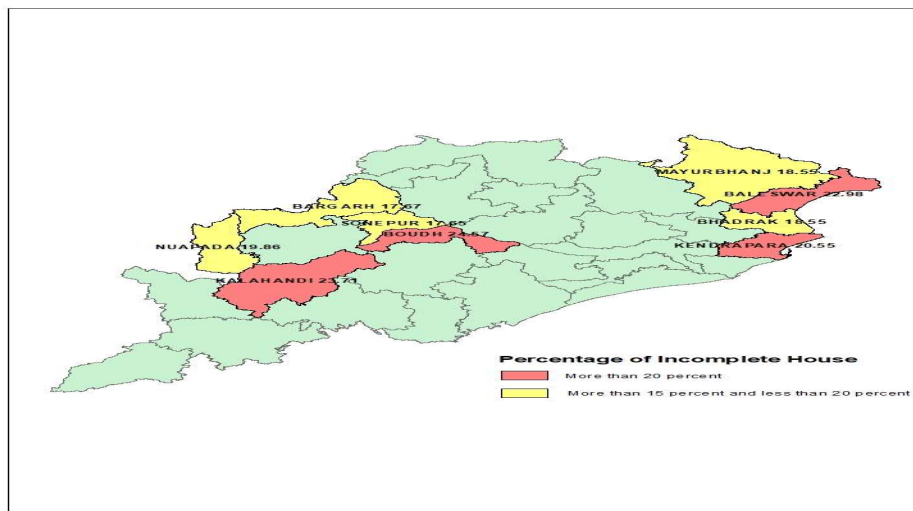
(Source: Information furnished by PR&DW Department)

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

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

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

Chart 2.2: District-wise percentage of incomplete houses



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

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

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

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

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

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

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

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

2.1.6.4 Incomplete houses of beneficiaries who died without legal heirs

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

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

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

2.1.6.5 Physical Verification of Houses

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

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

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

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



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



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

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

Photograph-2.6: PMAY-G house used as shop



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

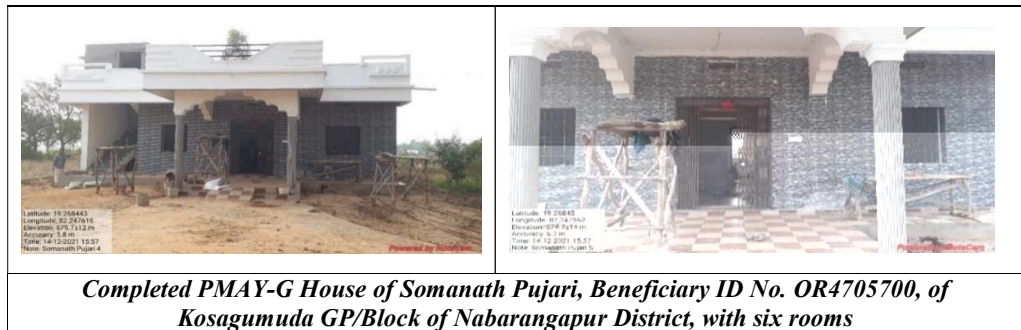
- Further, Audit also conducted JPI of incomplete houses and found that 143 houses (details in **Appendix-2.7**) had been constructed with large plinth areas, ranging from 28 to 149 sq.mtr, and had, thus, remained incomplete.

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

Based on JPI, the following irregularities were also noted-

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

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



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

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

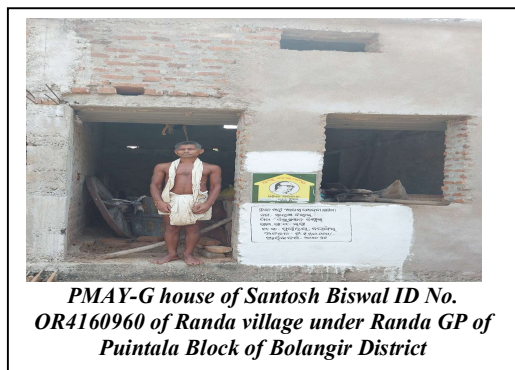
2.1.6.6 Display of official logo of the PMAY-G

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

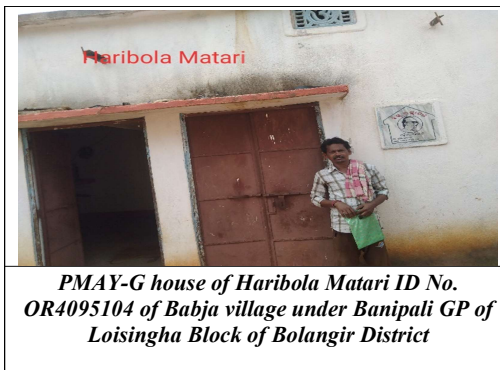
It was noted that the State Government had directed (December 2020 and January 2021) the Collectors to affix the logo of the PMAY-G and BPGY on all the PMAY-G houses. As the MoRD objected (February 2021) to such co-branding, Chief Secretary, GoO, clarified (March 2021) that it had decided to co-brand,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

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

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



PMAY-G house of Santosh Biswal ID No. OR4160960 of Randa village under Randa GP of Puntala Block of Bolangir District



PMAY-G house of Haribola Matari ID No. OR4095104 of Babja village under Banipali GP of Loisingha Block of Bolangir District

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

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

Recommendations

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

2.1.7 Convergence with Other Schemes

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

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

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

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

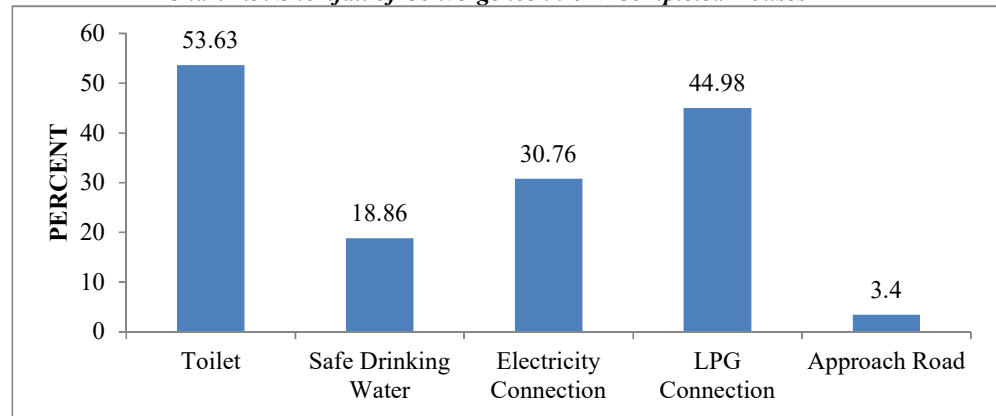
Table 2.5: Status of Convergence, found during JPI, of test-checked GPs of eight districts

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

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

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

Chart 2.3: Shortfall of Convergence in 647 Completed Houses



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

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

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

2.1.7.1 Person-days of unskilled labour under the MGNREGS

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

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

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

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

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

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

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

2.1.7.2 Irrational Provision of Person-days

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

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

²⁶ Beneficiary is allowed to work in a particular house.

²⁷ Beneficiary had actually worked in the house.

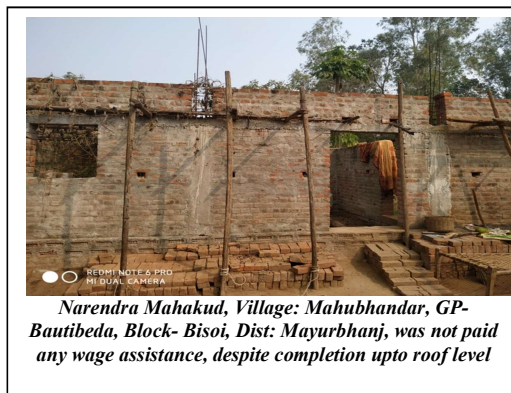
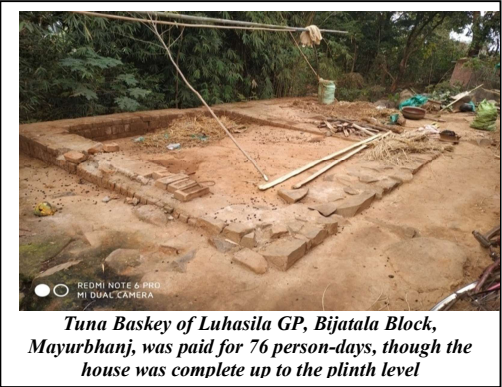
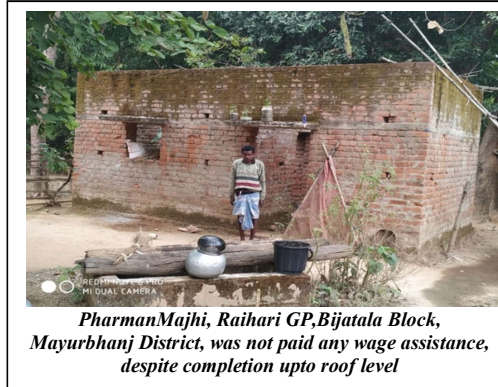
²⁸ $13,35,52,644 \text{ mandays} / 16,98,444 \text{ beneficiaries} = 78.63$

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

³⁰ All test-checked districts, except Baragrh

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

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



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

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

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

2.1.7.3 Irregularities in the maintenance of case records

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

³¹ All test-checked districts, except Balangir

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

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

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

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

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

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

Recommendations

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

2.1.8 Financial Management

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

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

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

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

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

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

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

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

2.1.8.1 Irregular operation of bank account in ICICI bank

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

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

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

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

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

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

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

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

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

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

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

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

2.1.8.3 Delay in release of first instalment

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

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

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

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

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

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

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

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

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

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

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

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

2.1.8.5 Non-procurement of Logos through GeM

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

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

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

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

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

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

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

2.1.8.6 Non-refund of Administrative funds by Districts and Blocks

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

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

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

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

2.1.8.7 Inadmissible expenditure out of the Administrative Fund

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

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

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

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

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

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

Recommendations

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

2.1.9 Monitoring and Inspection**2.1.9.1 Inspection by District/Block level officers**

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

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

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

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

2.1.9.2 Social Audit

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

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

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

2.1.9.3 Grievance Redressal Mechanism

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

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

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

2.1.9.4 Incorrect data in AwaasSoft

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

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

⁴² Except DRDA, Bargarh

⁴³ Except BDO, Ganjam

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

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

Recommendations

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

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

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

CHAPTER 3

Compliance Audit of PRIs

CHAPTER 3

Compliance Audit of the PRIs

3.1 Introduction

During the Financial Year (FY) 2021-22, the extent of Audit coverage of Panchayati Raj Institutions (PRIs) in the State was adversely impacted, in view of the travel restrictions and local lockdowns which had been imposed due to the Covid- 19 pandemic.

During FY 2021-22, Audit of PRIs was conducted, in the two selected districts (Cuttack and Sambalpur), through examination of the records of two Zilla Parishads (ZPs), four Panchayat Samities (PSs) and 20 Gram Panchayats (GPs), in these two districts, as detailed in *Appendix- 3.1*.

The scope of the Audit included examination of utilisation of funds under three categories of grants viz. 14th Finance Commission (FC) Grants, grants under the Ama Gaon Ama Bikash (AGAB) scheme and grants under the Swachh Bharat Mission-Gramin (SBM-G) scheme, covering the period from FY 2018-19 to FY 2020-21.

3.2 Utilisation of 14th FC Grants received by PRIs

The 14th FC (FYs: 2015-20) had recommended a Basic Grant and a Performance Grant to Rural Local Bodies. These grants were intended to be used for providing basic civic services *i.e.*, water supply, sanitation, sewerage management, solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street lighting and burial and cremation grounds. The Basic Grant had been released to the State Government, for the full five-year period, for onward release to PRIs. The Performance Grant was to be released from FY 2016-17 onwards, subject to the fulfillment of specified performance parameters.

During the period FYs 2015-20, the PR&DW Department released ₹598.82 crore⁴⁶, to the GPs of Cuttack and Sambalpur districts. Audit examined the related records of the 20 GPs selected in these two districts and noticed the following irregularities.

3.2.1 Loss of Performance Grant

Apart from the Basic Grant, the 14th FC recommended disbursement of a Performance Grant, on fulfillment of specified conditions, such as submission of audited accounts and increase in own revenue. The Performance Grant was recommended from the year 2016 and the State Government issued a notification in regard to assessment of the performance of the GPs, based upon pre-specified criteria. Based upon the extent of fulfilment of these criteria, the GPs were eligible for 50 to 100 *per cent* of the Performance grant dues.

⁴⁶ Cuttack: **Basic Grants**-2015-16: ₹49.56 crore, 2016-17: ₹67.96 crore, 2017-18: ₹78.72 crore, 2018-19: ₹91.09 crore, 2019-20: ₹123.09 crore; **Performance Grant**- 2016-17: ₹8.07 crore, 2017-18: ₹9.01 crore, Sambalpur: **Basic Grants**- 2015-16: ₹20.28 crore, 2016-17: ₹28.07 crore, 2017-18: ₹30.92 crore, 2018-19: ₹35.78 crore, 2019-20: ₹48.35 crore; **Performance Grant**- 2016-17: ₹5.72 crore, 2017-18: ₹2.20 crore.

Audit noticed that, out of 20 test-checked GPs, 19⁴⁷ GPs had lost the Performance Grant, for the financial year FYs 2018-19 and 2019-20, as detailed in **Appendix- 3.2**, since they could not increase their own revenues. The total loss was ₹68.66 lakh⁴⁸, calculated at the minimum of 50 *per cent* of the Performance Grants due for these GPs.

The loss of Performance Grant resulted in decreased availability of funds to these GPs, for providing basic public services, such as solid waste management, street lighting, *etc.*

In reply, the PR&DW Department stated (October 2022) that GPs were trying to increase their own source of revenue, to be eligible for the Performance Grant, since increase of own source of revenue is one of the conditions to avail Performance Grant. The fact, however, remained that GPs were not able to achieve the condition till the closure of the 14th FC period and lost the Performance Grants.

3.2.2 Suspected Misappropriation of funds

The instructions issued (October 2015) by PR&DW Department for streamlining the monitoring and supervision of utilisation of 14th FC grants by GPs *inter-alia* stipulate that payment is to be made to the executants through RTGS, after completion of works.

However, in the Govindpur GP of the Kantapada PS, in Cuttack district, Audit noticed that, for ‘Construction of a meeting hall at Govindpur GP’, with an estimated cost of ₹5 lakh, the then PEO had withdrawn (September 2020) ₹1.50 lakh from the savings bank account maintained for the purpose of 14th FC Grants. The amount was shown in the cash book as expenditure on the same date, for the above work, without any details. However, in regard to the 1st and 2nd running account bills of the work, an amount of ₹4.21 lakh (₹2.83 lakh and ₹1.38 lakh) was paid in October 2020 and May 2021, respectively. No adjustment of the above advance was made in these two bills. The absence of any adjustment of the advance, in subsequent running bills, and the advance being shown as expenditure, without execution of work, was indicative of the possibility of misappropriation of funds.

The PR&DW Department, in reply, stated (October 2022) that steps were being taken to recover the amount from the responsible person, for such misappropriation of Government money.

3.2.3 Non-remittance of Government receipts into Government Account

As per OTC Vol-I, royalty collected should be deposited, within three days of its receipt, with the local Tahasildar. Similarly, any labour cess collected is to be transferred to the Odisha Building & other Construction Worker Welfare Board, within 30 days of its collection.

⁴⁷ All test-checked GPs except Uchapada GP of Tangi-Choudwar PS

⁴⁸ Basic Grant: ₹ 12.36 crore (90 *per cent* of total grants), Performance Grant: ₹ 1.3732 crore (10 *per cent* of total grants), Minimum loss of Performance Grant @ 50 *per cent* of ₹ 1.3732 crore: ₹68.66 lakh

Audit, however, noticed that, during FYs 2018-19 to 2020-21, 13⁴⁹ out of the 20 test-checked GPs, had collected State Government dues, amounting to ₹ 20.37 lakh (₹13.54 lakh royalty and ₹ 6.83 lakh cess), but had deposited only ₹7.03 lakh (₹6.61 lakh royalty and ₹0.42 lakh labour cess) into the Government Account, leaving a balance of ₹13.34 lakh (₹6.93 lakh royalty and ₹6.41 lakh labour cess) with themselves, as detailed in *Appendix-3.3*.

The PR&DW Department replied (October 2022) that the royalty and labour cess collected would be deposited into Government account, by the concerned authority, shortly.

3.2.4 Execution of inadmissible works

As per Para 7 of the guidelines issued (October 2015) for the implementation of recommendation of 14th FC Grants by GoI (i) the Basic Grant was to be utilised for delivery of basic civic services like water supply, sanitation including septic management, sewerage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, construction of kalyan mandap, shopping complex, cremation grounds and any other basic service within the functions assigned to them under relevant legislations. (ii) the cost of technical and administrative support towards O & M and capital expenditure should not exceed 10% of the allocation to a GP under any circumstances and the expenditure can be incurred only by the local body concerned.

Audit, however, noticed that 10 GPs had spent ₹52.98 lakh, on inadmissible works, such as construction of Government building, Drama Pandal and GP meeting hall, as well as repair of GP Office, GP Godown, booths, *etc.*, as detailed in *Appendix-3.4*.

As these works were not related to the intended basic services and generation of own revenue, they should have been executed from regular budget or any other source, rather than from 14th FC Grants. Thus, the expenditure of ₹52.98 lakh, incurred on these works, was inadmissible.

In reply, the PR&DW Department stated (October 2022) that expenditure for construction of GP building had been permitted (November 2015) out of 14th FC Grants.

The reply is not acceptable, since the GPs had incurred expenditure on repair of GP building, drama pandal etc, ignoring works related to generation of own revenue, due to which they had lost Performance Grants.

Recommendations:

- 1. Efforts may be made to increase the revenue of the GPs, through creation of income generating assets, such as advertising hoardings, construction of commercial buildings, auction of management rights in weekly agricultural markets and fishing rights in local water bodies.**
- 2. Funds under FC Grants may be utilised to increase the coverage and quality of basic services provided to citizens, as also for generation of own revenues, rather than for incurring expenditure on inadmissible items, which should, instead, be met through regular budget allotments.**

⁴⁹ Bagalpur, Adasapur, Kantapada, Uradha, Govindapur, Batemura, Baduapali, Bargaon, Parmanpur, Sahasapur, Bisalkinda, Kardola, Talab

3.3 Utilisation of Ama Gaon and Ama Bikash Scheme Funds

The Government of Odisha implemented (September 2018) the scheme ‘Ama Gaon Ama Bikash’ (AGAB), with a view to accelerating local development, by means of small and essential projects of local importance and providing missing links to existing development infrastructure. Projects, which were expected to contribute to the overall development of the community and well-being of the general public, were to be taken up under the scheme.

During the FYs 2018-19 to FY 2020-21, 23 PSs, in the two test-checked districts, received funds amounting to ₹115.17 crore, under this scheme, for 5,933 approved projects. Out of these, 761 projects⁵⁰ had been taken up for execution, at a cost of ₹15.13 crore, Audit examined the utilisation of funds in four of the test- checked PSs and noticed the following irregularities:

3.3.1 Selection of projects

As per the Guidelines of the AGAB: (i) the projects were to be suggested by local people, community organisations, public representatives and other stakeholders (ii) thereafter, the GP-wise project list was to be consolidated at the GP, Block and District levels, for onward submission to the PR & DW Department (iii) subsequently, the projects were to be approved by the Chief Minister, in a Video Conference with the general public and public representatives of the concerned Block.

Audit noticed that all the 5,933 projects, of these two districts, had been approved at State level itself, without supporting documentation evidencing consolidation at the GP or Block levels, or being based on the suggestions made by local people or public representatives, *etc.*, GP-wise lists, which were to be prepared for consolidation at the Block and District levels, had not been submitted to the Department.

In the absence of bottom-up inputs, Audit noticed that 102⁵¹ approved projects, with an estimated cost of ₹1.43 crore, could not be taken up, due to reasons such as non-feasibility of project site, insufficient cost estimates for the project, *etc.*, which had not been anticipated prior to approval.

Selection of projects, without the involvement of the beneficiaries or their representatives, in a manner that was not compliant with the AGAB guidelines, resulted in blocking of funds which could have been utilised as per local requirements, as was originally intended under the AGAB Scheme.

In reply, the PR&DW Department stated (October 2022) that the districts have been directed to divert the funds of non-feasible projects, to complete the ongoing projects, available under AGAB schemes, after obtaining Government approval.

The fact, however, remained that the non-feasible projects had been selected without involving the beneficiaries or their representatives, in deviation from the guidelines, which ultimately had the impact of denying the intended benefits to the beneficiaries.

⁵⁰ Cuttack-528 projects and Sambalpur-233 projects

⁵¹ Kantapada: 10, Tangi-Choudwar: 80 and Maneswar: 12

3.3.2 Execution of inadmissible projects

As per AGAB Guidelines, the projects should be of developmental nature and should create useful community assets for benefit of the community at large.

However, the BDOs of three⁵² PSs took up works in the name of ‘Community Centre’, ‘Yagnya Mandap’, etc. Test-check of records and Joint Physical Inspection of 71 works revealed that, in 33 cases, as detailed in **Appendix-3.5**, the concerned BDOs had executed construction works on religious structures (as depicted in the photographs), incurring expenditure of ₹62.64 lakh.

Photograph: 3.1



*Sri Radhakanta Community Centre, Sisua,
Kantapada GP*

Photograph: 3.2



*Maa Mangala Community Centre in Adaspur
GP of Kantapada PS*

Photograph: 3.3



Yatra Mandap of Talab GP of Dhankauda PS

Photograph: 3.4



Yagnya Mandap of Talab GP of Dhankauda PS

Construction of religious structures, in the name of Community Centers, was not in compliance with the AGAB guidelines and resulted in failure to extend the intended benefits to the community at large, under the Scheme.

The PR&DW Department replied (October 2022) that the constructions near religious institutions had been taken up for common cause and common benefit of people.

The reply is not acceptable, since Audit noticed construction work within the religious institutions, in the name of community centres.

3.3.3 Unfruitful expenditure on incomplete projects

Audit noticed that three BDOs (Tangi-Choudwar, Kantapada and Dhankauda) had taken up 22⁵³ projects, with an estimated cost of ₹ 44.80 lakh, between FY 2018-19 and FY 2020-21, as detailed in **Appendix-3.6**. The dates of

⁵² Kantapada, Tangi-Choudwar and Dhankauda

⁵³ Kantapada PS: 11 projects, Tangi-Choudwar: 4 projects and Dhankauda PS: 7 projects

completion of these works had been recorded as being between January 2019 and March 2021, on payment of final bills for the whole estimated cost.

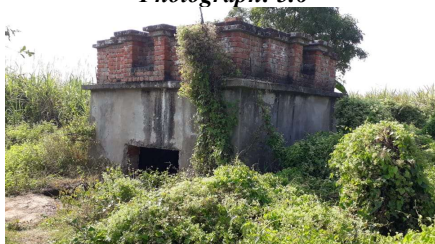
Audit conducted (January and May 2022) JPI of these projects and noticed that the actual status of these projects was 'incomplete' (as depicted in the photographs), even though the entire project cost of ₹44.80 lakh had been utilised. Thus, these assets could not be utilised by the public, resulting in unfruitful expenditure of ₹44.80 lakh. Reasons for non-completion of these works were not found available on records.

Photograph: 3.5



Construction of Yatra Mandap at Sonutikira of Talab GP of Dhanakauda PS

Photograph: 3.6



Sri Mukteswar Mahadev CC, Adaspur GP of Kantapada PS

Photograph: 3.7



MangalaThakurani CC Bagalpur GP in Kantapada PS

Photograph: 3.8



Community Centre in Kud-Gunderpur GP in Dhankauda PS

In reply, the PR&DW Department stated (October 2022) that the districts had been advised (January 2021) to divert the funds of non-feasible projects, to complete the ongoing projects, out of the available funds under the AGAB.

The fact, however, remained that, despite the utilisation of funds, the projects could not provide the intended benefits, in terms of utilisation of assets.

3.3.4 Execution of works without administrative approval

Rule 75 (C) of the Odisha Panchayat Samiti Accounting Procedure Rules, 2002, stipulates that administrative approval shall be accorded for each project, before execution.

During the FYs 2018-19 to 2020-21, 68⁵⁴ works were executed by two⁵⁵ BDOs, at a cost of ₹1.50 crore, without the administrative approval of projects having been obtained, as detailed in **Appendix-3.7**.

Accepting the fact, the PR&DW Department stated (October 2022) that the concerned BDOs had been instructed to take *post-facto* administrative approval, for the executed projects.

⁵⁴ Cuttack district-Kantapada PS: 47 and Sambalpur district-Dhankauda PS-21

⁵⁵ Dhanakauda and Kantapada

Recommendations:

3. *Selection of feasible projects may be carried out, with inputs received from citizens and their representative groups and with consolidation across the GP, Block and State levels.*
4. *Projects which can potentially benefit the community at large, may be prioritised and inadmissible projects may not be taken up.*
5. *Projects may be completed in a timely manner, with periodic inspections being carried out, with a view to ensuring that intended benefits are achieved.*

3.4 Implementation of Swachh Bharat Mission-Gramin

SBM-G was launched (October 2014) by GoI to accelerate efforts towards achieving universal sanitation coverage and put focus on safe sanitation. It aimed to improve the levels of cleanliness in rural areas through solid and liquid waste management (SLWM) activities and making GPs Open Defecation Free (ODF), clean and sanitised, by 2 October 2019.

During the FY 2018-19 to FY 2020-21, the ZPs of the two selected districts received ₹313.05 crore and utilised ₹311.00 crore, under the scheme, leaving a balance of ₹2.05 crore at the district level, as detailed in Table 3.1.

Table 3.1: Year-wise receipt and utilisation of funds

(₹ in crore)						
Year	Opening Balance	Central Share	State Share	Total	Expenditure	Closing Balance
2018-19	2.05	96.85	64.57	163.47	161.42	2.05
2019-20	2.05	70.12	46.74	118.91	116.86	2.05
2020-21	2.05	18.41	14.31	34.77	32.72	2.05
Total	2.05	185.38	125.62	313.05	311.00	2.05

Audit test-checked the utilisation of funds and noticed the following deficiencies.

3.4.1 Absence of five-year Project Implementation Plan and Annual Implementation Plans

As per Para 5.1.1 of the revised guidelines (October 2017) for SBM-G, a project proposal was to be prepared by the district, incorporating GP-wise details. These details were to be scrutinised and consolidated, by the State Government, into a State Plan. The State Plan was to provide details of the IEC, BCC, triggering exercise, capacity building, implementation, financial support and monitoring activities planned for each district, consolidated for all GPs. Further, the State Plan was to include a five-year Project Implementation Plan (PIP), along with five individual Annual Implementation Plans (AIP). The State PIPs, prepared by States on a perspective basis, until then, were to be revised, based on the baseline data and revised norms of SBM-G.

Audit observed (December 2021/April 2022) that the five-year PIP and the five independent AIPs had not been prepared, for implementation of SBM(G), in the Cuttack and Sambalpur districts. Reasons for non-preparation of Plans, as provided in the SBM(G) Guidelines, were not found available on records.

The AIPs and five-year PIPs were critical internal controls, which were intended to provide clarity on the exact sequence and scope of works to be undertaken. Lack of these critical documents significantly increased the risk of non-attainment of scheme objectives.

In reply, the PR&DW Department stated (October 2022) that: (i) the eligible beneficiaries, identified in the base line survey, in all the villages of these two districts, constituted the five-year action plan, up to 2019 and (ii) the PIP and AIP, available at the State level, is prepared in consultation with the districts.

The reply is not tenable, as no project proposals, incorporating GP-wise details for IEC, Capacity building, implementation, monitoring activities, *etc.*, planned for each district, for the State Plan, were found available, during audit, in the sampled districts.

3.4.2 Non-preparation of District Swachhta Plans

Para 5.1.2 of the SBM-G, guidelines stipulated that each district was to undertake a strategic planning exercise, to make the district Open Defecation Free, in a time-bound manner. All districts were required to develop a 'District Swachhta Plan' (DSP), for the rest of the Mission period, against which progress would be monitored. The plan and arrangements for important tasks, such as demand generation, choice of technology, construction supervision, geo-tagging of toilets, conversion of insanitary to sanitary toilets, making defunct toilets functional, verification of ODF declared villages, *etc.*, were to be indicated in the District Swachhta Plan.

Audit observed (December 2021/April 2022) that the District Water and Sanitation Missions, of Cuttack and Sambalpur, had not prepared any DSPs, for the period from FY 2017-18 to FY 2019-20. Reasons for the non-preparation of the DSPs, as provided for under the SBM (G) Guidelines, were not found available on records.

Absence of the DSPs was likely to have contributed to inadequate supervision of toilet construction; non-utilisation of Individual House Hold Latrines (IHHLs), due to non-availability of water; and partial construction of toilets, as mentioned in the subsequent paragraph, which further resulted in continuance of open defecation in rural areas.

In reply, the PR&DW Department stated (October 2022) that DSPs had been prepared by the districts and shared with the State. The State AIP was accordingly prepared, for the remaining period of implementation.

The reply is not acceptable, since the sampled districts could not produce the DSPs, in support of preparation of the same at the district level.

3.4.3 Status of IHHLs

In the two test-checked districts (Cuttack and Sambalpur), 4.04 lakh IHHLs had been constructed, as at the end of FY 2019-20. Audit conducted JPI of 576 IHHLs in 20 test-checked GPs of these two districts and noticed the following deficiencies:

- Para 6.4.1 of the SBM (G) guidelines stipulate that IHHLs are required to meet the minimum design specifications, to ensure sustainability. Accordingly, the Odisha Water and Sanitation Mission (OWSM)

instructed (April 2018) all Collectors to adopt Twin Pit Water Seal Technology, while constructing IHHLs. The estimated cost of assistance for each IHHL (which included provision of twin pits) was ₹12,000.

During JPI, it was seen that, out of the 576 IHHLs inspected, 508 IHHLs had been constructed by Self Help Groups (SHGs). Out of these 508 IHHLs, only 10 IHHL had twin pits, 441 IHHLs had single pit and 57 IHHLs had no pits at all, despite the fact that the SHGs had been paid the full amount for their construction. Thus, despite payment of assistance, in full, to these SHGs, Audit was unable to derive assurance on the sustainability of these IHHLs, for future use.

In reply, the PR&DW Department stated (October 2022) that instructions has already been given (February 2021) to the implementing agency for conversion of single pit to twin pit and assured to convert all single pit and no pit toilets to twin pit.

The reply is not acceptable, since audit could not find the implementation of the instructions issued (February 2021) during JPI.

Photograph: 3.9



IHHL of Sashi Kumbhar, Sahaspur GP, Maneswar PS

Photograph: 3.10



IHHL of Sri Bama Bhoi of Bagalpur GP of Kantapa PS

Photograph: 3.11



IHHL of Prasna Sebhali Talab GP of Dhankauda PS

Photograph: 3.12



IHHL of Degu Bag, Pandiapali, Bisalkhinda GP Dhankauda PS

Photograph: 3.13



IHHL of Mayadhar Behera and Gobardhan Behera of Adaspur GP of Kantapada PS

Photograph: 3.14



IHHL of Shanti Party of Karanji GP of Tangichoudwar PS

- In 562 IHHLs (98 *per cent*), there was no water connection. Out of these, 200 beneficiaries stated that they were using the IHHLs by manually carrying water from nearby wells/tube wells. The remaining 362 beneficiaries were not using the IHHL for the intended purpose and were, instead, using them for storing firewood, straw, *etc.*, as shown in the photographs, resulting in wasteful expenditure of ₹43.08 lakh⁵⁶.

As a result of these deficiencies and the absence of enabling infrastructure (such as piped water connections for the IHHLs), the basic purpose of the SBM (G) Scheme, *i.e.*, ensuring functional toilets, could not be achieved. In these circumstances, Audit was unable to derive assurance on the status of ODF, as reported by the PRIs.

In reply, the Government stated (October 2022) that due to heavy rain, the beneficiaries might have kept the firewood and other materials inside the IHHLs. Government further stated that, in order to ensure regular use of constructed toilets, all ODF villages would be covered under PWS schemes, *i.e.* the Jal Jivan Mission and BASUDHA, *etc.*

The reply is not acceptable, since 73 *per cent* (419⁵⁷ out of 576) IHHLs were not being used by the beneficiaries of sampled Blocks, due to non-availability of water and non-construction of pits of IHHLs, as confirmed during the JPI.

Recommendations:

- 6. Prescribed Annual Plans, District Swachhta Plans and five-year Project Implementation Plan, may be prepared, in compliance with SBM (G) Scheme guidelines.***
- 7. Prescribed design specifications for IHHL, in the SBM (G) Scheme guidelines and executive instructions, may be followed in entirety, to ensure sustainability of the IHHLs, for future use.***
- 8. Enabling infrastructure, for provision of piped water supply for the IHHLs, may be ensured, through convergence with other Schemes, such as Ama Gaon Ama Bikash.***

⁵⁶ 359 IHHLs X ₹12000

⁵⁷ Non-availability of water in 362 IHHLs and no pit in 57 IHHLs

PART - B

CHAPTER 4

An Overview of ULBs

CHAPTER 4

Section A An Overview of Urban Local Bodies in the State

4.1 Introduction

The 74th Constitutional Amendment (1992) added the 12th Schedule, comprising of 18 functions, in the Constitution, and mandated that all State Governments operationalise Urban Local Bodies (ULBs) as units of self-government. States were required to devolve these 18 functions and responsibilities to the ULBs, to enable them to function as institutions of local self-government. Accordingly, as per provisions 24 and 26 of the Odisha Municipal Corporation Act, enacted in 2003, nine and eight functions were devolved, respectively, out of 18 functions (except for the 'fire services' function, which was not devolved), to ensure devolution of powers and responsibilities to ULBs, in regard to the subjects listed in the 12th Schedule of the Constitution.

The profile and demography of the urban population in the State are given in **Table 4.1**.

Table 4.1: Urban population in Odisha: key indicators

Indicator	State	Urban
Population (<i>in crore</i>)	4.19	0.70
Male (<i>in crore</i>)	2.12	0.36
Female (<i>in crore</i>)	2.07	0.34
Sex Ratio per 1000 males	978	932
Literacy rate (<i>per cent</i>)	72.87	85.75
Male Literacy (<i>per cent</i>)	81.59	90.72
Female Literacy (<i>per cent</i>)	64.01	74.31

(**Source:** Census of India, 2011)

As of March 2021, 114 ULBs⁵⁸ had been set up in the State, under three categories. While Municipalities and Notified Area Councils (NACs) were functioning under the provisions of the Odisha Municipal Act, 1950, Municipal Corporations were functioning under the Odisha Municipal Corporation Act, 2003.

4.2 Organisational setup of ULBs

Each ULB is divided into a number of wards, with each ward being represented by a Ward Councilor/Corporator. The Municipal Commissioner is the executive head of a Municipal Corporation, while an Executive Officer is the executive head of a Municipality or NAC. Both - Municipal Commissioners, as well as Executive Officers - report to the Director of Municipal Administration, in the Housing and Urban Development (H&UD) Department. The Directorate of Municipal Administration, which is the apex administrative organisation that regulates the functioning of all Municipal Corporations, Municipalities and NACs in the State, manages municipal Administration in Odisha.

The Directorate of Municipal Administration is headed by the Director, Municipal Administration (DMA). The DMA coordinates various activities of all ULBs, *viz.*

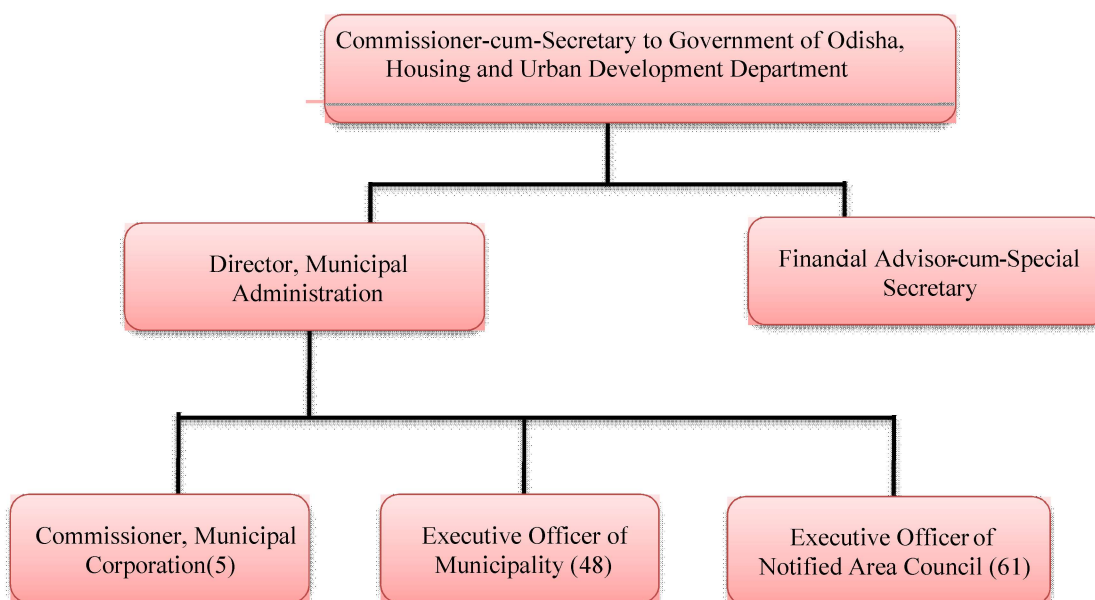
- i) municipal tax administration
- ii) financial management
- iii) infrastructure

⁵⁸ Municipal Corporations: 5, Municipalities: 48, Notified Area Councils: 61

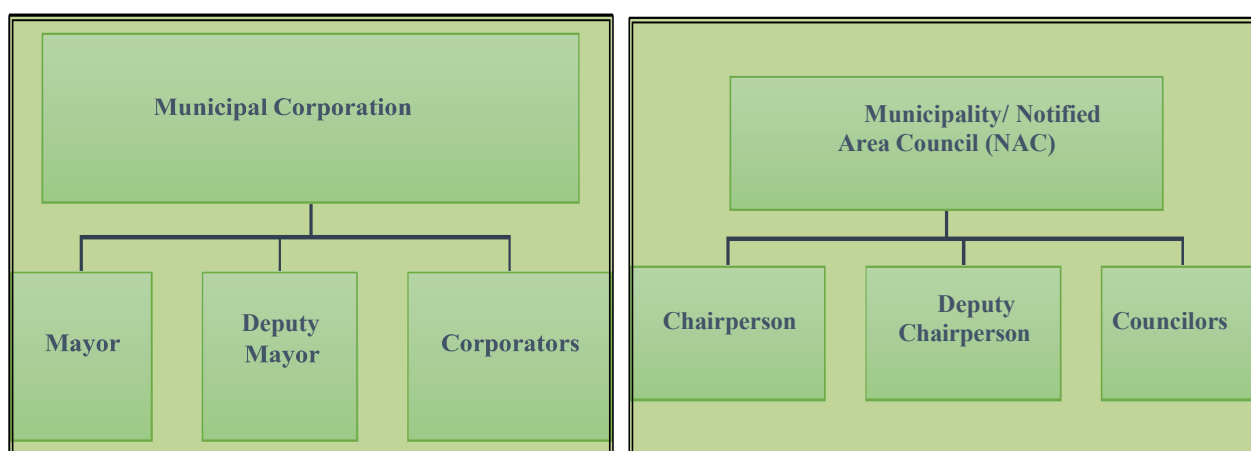
development iv) town planning v) urban health and sanitation vi) environment management and vii) programmes for the urban poor, *etc.*

The Directorate is responsible for supervising the functioning of the ULBs. It is also required to: i) work out suitable human resource policies ii) monitor tax collection activities iii) lay down policies for transparency in expenditure iv) hear appeals against the decisions of ULBs v) release Government funds to ULBs and vi) monitor the implementation of various schemes and programmes being implemented by the ULBs.

The organisational hierarchy of ULBs in Odisha, is indicated below.



The structure of the elected bodies of the ULBs is as under:



While each Municipal Corporation is headed by a Mayor, each Municipality/ Notified Area Council is headed by a Chairperson. The Mayors/Chairpersons are elected from among the Corporators/ Councilors of the respective ULBs.

4.3 Functioning of ULBs

The Twelfth Schedule (Article 243 W) of the Constitution of India envisages that State Governments may, by law, empower municipalities with such powers and authority, as may be necessary to enable them to function as institutions of self-government. It lists 18 functions that State Governments are to devolve to the ULBs.

As of March 2021, out of 18 functions, the State Government had devolved 17 functions (nine functions as obligatory duties, under Section 24, and eight functions as general powers and functions, under Section 26, of the OMC Act, 2003) to the ULBs, either partially or fully (**Table 4.2**). The ‘fire services’ function is yet to be devolved to the ULBs.

Table 4.2: Functions transferred to ULBs

Sl. No.	Functions Transferred to ULBs
1	Urban planning, including town planning
2	Regulation of land-use and construction of buildings
3	Planning for economic and social development
4	Roads and bridges
5	Water supply- domestic, industrial and commercial
6	Public health sanitation, conservancy and sewerage water maintenance
7	Urban forestry, protection of environment and promotion of ecological aspects
8	Safeguarding the interest of weaker sections of the society including the handicapped and mentally retarded
9	Slum improvement and upgradation
10	Urban poverty alleviation
11	Provision of urban amenities and facilities- parks, gardens and play grounds
12	Promotion of cultural, educational and aesthetic aspects
13	Burials and burial grounds, cremations, cremation grounds and electric crematoriums
14	Cattle Pounds, prevention of cruelty to animals
15	Vital statistics including registration of births and deaths
16	Public amenities including street lighting, parking lots, bus stops and public conveniences
17	Regulation of slaughter houses and tanneries

4.4 Staffing Pattern of ULBs

Every Corporation is required to have the following officers: i) Commissioner ii) City Engineer iii) City Health Officer iv) Chief Finance Officer v) Chief Auditor vi) Law Officer vii) Secretary viii) Deputy Secretary ix) Recovery Officer x) Environment Officer and such other officers, as prescribed under Section 117(1) of the Odisha Municipal Corporation Act. However, every Corporation may, with the previous sanction of the Government and as per provisions of the Act, determine its establishment. Similarly, every Municipality/ NAC is required to have an Executive Officer, an Engineer and a Health Officer (as prescribed under Section 74 of the Odisha Municipal Act, 1950), who are State Government employees. They are to be appointed to the Municipality/NAC and their work is to be subject to the general powers of supervision of the Chairperson.

4.5 Standing Committees

As per the Odisha Municipal Corporation Act and the Odisha Municipal Act, Standing Committees are to be set up, for dealing with matters such as: (i) Taxation (ii) Finance and Accounts (iii) Public Health (iv) Electricity Supply (v) Water Supply (vi) Drainage and Environment (vii) Public Works (viii) Planning and Development (ix) Education (x) Recreation and Culture (xi) Licenses and appeals (xii) Contracts (xiii) Corporation Establishment (xiv) Grievances and Social Justice and (xv) Settlement of mutual disputes between two adjoining Corporations.

4.6 District Planning Committee

As per Section 62(A) (2) of Odisha Municipal Act 1950, a District Planning Committee (DPC), consisting of 20 members, is to be constituted in each district, to consolidate the plans prepared by the Municipalities and Panchayati Raj Institutions in the district, as also to prepare a draft development plan for the district as a whole. Out of the 20 members of the DPC, 16 members are to be from amongst the elected members of the Zilla Parishad and elected Councilors of the Municipalities in the district, while the other four members are to be nominated by the State Government, from the following list:

- (i) A Minister in the Council of Ministers of the State, who shall be the Chairperson;
- (ii) The Collector of the district, who shall be the Member-Secretary;
- (iii) The Chairperson of the Zilla Parishad of the district; and
- (iv) The Chairperson of a Municipality in the district.

In order to ensure that the DPC functions effectively, a DPC fund is required to be created, as per Section 85 of Odisha Town Planning and Improvement Trust Act, 1956, with contributions from the related PRIs and ULBs, for meeting expenses related to the functioning of the DPC.

4.7 Fund flow arrangements

ULBs receive funds from Government of India (GoI) and the State Government, in the form of grants for execution of various developmental works. The GoI grants include grants assigned as per the recommendations of the Central Finance Commission (CFC) and grants for implementation of schemes. Similarly, the State Government grants include grants received through devolution of the net proceeds of the total tax revenue, on the recommendations of the State Finance Commission (SFC), as well as grants for implementation of the State sponsored schemes. In addition, ULBs also have their own sources of revenue collection, such as: i) taxes on holdings ii) trades iii) rent on shops and buildings and iv) other fees and charges, *etc.*, which constitute the revenue receipts of the ULBs.

4.8 Recommendations of the State Finance Commissions (SFCs)

The Fourth SFC (covering the period 2015-20) and the Fifth SFC (covering the period 2020-25) had requested the Fourteenth Finance Commission (covering the period 2015-20) and the Fifteenth Finance Commission (covering the period 2020-25), respectively, to augment the State's Consolidated Fund, to supplement the resources of the local bodies, over and above the funds recommended for transfer from the State's resources. The total resource transfer to ULBs (from

State resources), recommended by the 4th & 5th SFCs, for the financial years 2016-17 to 2020-21, was as under:

Table 4.3: Resource transfer recommended by SFCs

(₹ in Crore)

Distribution mechanism	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
Devolution	164.60	164.60	164.60	164.60	305.05	963.45
Assignment of Taxes	644.00	708.40	779.24	857.16	664.89	3,653.69
Grants-in-aid	80.48	178.10	180.94	184.08	348.81	972.41
Total	889.08	1,051.10	1,124.78	1,205.84	1,318.75	5,589.55

(Source: Reports of the 4th & 5th SFCs)

4.9 Recommendations of the Central Finance Commissions (CFCs)

The 14th Finance Commissions (2015-20) and 15th Finance Commissions (award period of first report: 2020-21) recommended assured transfer of funds to local bodies, for planning and delivery of basic services under their charge. Under 14th CFC, the grants were to be released under two components, *i.e.* Basic grant (unconditional) and Performance grant (conditional), in the ratio of 80:20, with respect to municipalities. Its further recommendations were as below:

- States need to ensure property tax reforms, including objective determination of the base and its regular revision, to adjust for inflation, strengthening of mechanisms for assessment, levy and collection and improving billing and collection efficiency.
- States may consider steps to empower local bodies, to impose advertisement tax and improve own revenue, from this source.
- States may review the structure of entertainment tax and take action to increase its scope, to cover more and newer forms of entertainment.
- Urban local bodies may rationalise their service charges in a way that they are able to, at least, recover the operation and maintenance costs from the beneficiaries.
- Under 15th Finance Commission (first report award period 2020-21), the recommendations were as below:
- To qualify for any grants for urban local bodies in 2021-22, States would have to appropriately notify floor rates and, thereafter, show consistent improvement in collection, in tandem with the growth rate of the State's own Gross State Domestic Product.
- Service Level Benchmarks being 100 *per cent* of the tied grants (other than the Basic Grants), for improving water and solid waste management and achieving of star rating by the urban local bodies on population basis.
- For million-plus cities/urban agglomerations, the city-wise distribution of grants for 2020-21 would be on population basis.

Details of funds, released in terms of the recommendations of the 14th & 15th CFCs, are given in **Table 4.4**.

Table 4.4: Funds released to ULBs on the basis of the recommendations of the 14th & 15th Finance Commissions

(₹ in crore)

Financial Year	Grants recommended to ULBs		Grants released to ULBs		Short-receipt of Grants by ULBs	
	Basic	Performance / Tied	Basic	Performance/ Tied	Basic	Performance/ Tied
2016-17	235.54	69.52	231.26	68.26	4.28	1.26
2017-18	272.14	78.67	258.84	Nil	13.30	78.67
2018-19	314.82	89.34	292.73	Nil	22.09	89.34
2019-20	425.39	116.98	426.38	Nil	Nil	116.98
2020-21	543.50	543.50	543.50	543.50	Nil	Nil

(Source: Information as furnished by DMA, Budget and 15th FC Report)

As may be seen from the Table above, the State Government lost a significant quantum of performance grants, amounting to ₹286.25 crore, due to factors such as non-achievement of service level benchmarks (SLBs) set by the 14th Finance Commission, as detailed below.

4.9.1 Service Level Benchmarks

In compliance with the recommendations of the 14th Finance Commission, the State Government had notified (September 2015) standards of service deliveries in four essential services provided by the local bodies, namely: i) Water Supply ii) Sewerage Management iii) Storm Water Drainage and iv) Solid Waste Management and the service level targets for the financial year 2015-16. Further, the targets for FY 2017-18 and FY 2019-20 were also fixed as per the service standards. The performance grants of CFC were linked to achievement of the above SLB targets.

Some of the service level benchmarks were:

- 100 per cent metered water connection
- 100 per cent cost recovery in water supply connections
- 24 hours/day water supply
- 100 per cent recycle and reuse of sewage
- 100 per cent household level coverage of solid waste management services
- 100 per cent efficiency of collection, segregation, scientific disposal and cost recovery of municipal solid waste
- 100 per cent coverage of storm water drainage network, etc.

Para 3.6.1, pertaining to Service Level Benchmarks, of the CAG's Report of March 2021, on Waste Management in Urban Areas, had observed that the extent of segregation, recovery of solid waste, scientific disposal and cost recovery of solid waste, in a majority of the test-checked ULBs, were significantly below the benchmarks fixed by the MoUD.

In this regard, Audit noted that the government of Odisha had issued Standard Operating Procedures (SOPs) for segregation, collection and recycling of municipal solid waste, in July 2019 and December 2020.

Recommendation:

- 1. The State Government may put in place a time bound action plan to achieve the Service Level Benchmark targets set by the Finance Commission, in order to avoid further loss of performance grants.***

4.10 Audit mandate**4.10.1 Primary Auditor**

Director, Local Fund Audit (DLFA), under the Finance Department of the Government of Odisha, has been the primary Auditor for ULBs in the State, since 2012. The DLFA conducts departmental/ internal audit of ULBs of all 30 districts of the State, through 26 District Audit Offices as per OM Act, 1950. During the financial year 2020-21, DLFA had planned audit of 114 ULBs, but was able to cover only 106, with the shortfall in audit being attributed to the Covid-19 Pandemic. Details of audit coverage, by the DLFA, are given below:

Table 4.5: Position of audit of ULBs by DLFA (as of March 2021)

Financial year	Total no. of ULBs planned for Audit	Total number of ULBs audited	Shortfall
2018-19	111	109	2
2019-20	113	110	3
2020-21	114	106	8

(Source: Information furnished by Director, Local Fund Audit, Odisha)

4.10.2 Audit by the Comptroller and Auditor General of India

On the recommendation of the 13th Finance Commission, the State Government had requested (July 2011) the Comptroller and Auditor General of India (C&AG), to audit the accounts of all categories of the ULBs of the State, under Section 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Accordingly, nine ULBs were covered for Compliance Audit during FY 2020-21, despite the COVID-19 pandemic. In addition, two Performance audits on "Waste Management in Urban areas" and "Efficacy of the 74th Constitution Amendment Act with regard to devolution of funds, functions and functionaries", were also initiated and completed, during the financial year 2021-22.

4.10.3 Technical Guidance and Support (TGS) by C&AG

In pursuance of the recommendations of the Eleventh and Thirteenth Finance Commissions, Government of Odisha entrusted C&AG with the task of providing TGS to the State Audit Agency, viz., Local Fund Audit (LFA), for audit of Local Bodies. Subsequently, the provisions of TGS and its parameters were agreed upon, through periodical meetings between the Government and the C&AG, and the Government notified (July 2011) the parameters of the TGS, in its Official Gazette. Government also incorporated provisions relating to C&AG audit/TGS by the C&AG of India, in the Odisha Local Fund Act, through the Odisha Local Fund Audit (Amendment) Act, 2011, with effect from September 2012 and the Odisha Local Fund Audit (OLFA) (Amendment) Rules, 2015.

Under the TGS arrangement, the Director of Local Fund Audit is required to submit its Annual Audit Plans, quarterly progress reports on its Annual Audit Plans and copies of its Audit Reports, to the Accountant General.

The Accountant General (AG) scrutinised the audit reports for the financial years 2017-18 and 2018-19, forwarded by the DLFA and found that serious irregularities had been reported therein. Such irregularities included interest amounts accrued on scheme funds, deposited in the bank, being withdrawn but not shown in the cashbook; lesser amount being shown in the cashbook, as compared to the actual sale amount; misappropriation of cash, *etc.*

AG also provided various suggestions for improvement in auditing and reporting of issues, to DLFA.

4.11 Reporting arrangements

4.11.1 Audit Report of the Primary Auditor

As per the recommendations of the 13th Finance Commission and the provisions of OLFA (Amendment) Rules, 2015, the DLFA is to prepare and submit a consolidated report for the previous year, to the State Government, not later than 30 September of each year and this report is to be laid before the State legislature.

4.11.2 CAG's Report on Local Bodies

The latest Report of the Comptroller and Auditor General of India, including the report in respect of Urban Local Bodies in Odisha, for the year ending March 2020, has been laid in the Odisha Legislative Assembly, on 10 December 2021.

4.11.3 Response to audit observations

After completion of audit, Inspection Reports (IRs), containing audit findings, were issued to heads of the units concerned. Heads of offices, as well as the next higher authorities, were required to respond to observations contained in IRs within one month and take appropriate corrective action. Audit observations, communicated in the IRs, were also discussed in meetings at the district level, by officers of the Housing and Urban Development Department, with officers from the office of the Principal Accountant General.

As of 31 March 2021, 4,385 paragraphs, relating to 339 Inspection Reports (IRs), pertaining to 1993-94 to 2020-21, issued to different ULBs, had remained unsettled. Of these, initial replies had not been received in respect of 71 IRs. Further, 16 paragraphs relating to Inspection Reports (IRs) issued by the Office of the Accountant General (Audit-II), Odisha, were settled through Triangular Committee Meetings⁵⁹, during FY 2020-21.

Table 4.6: Outstanding IRs/Paras pending for settlement

Financial Year	No. of IRs	No. of Paras
Up to 2019-20	330	4,223
2020-21	9	162
Total	339	4,385

(Source: Compiled by Audit)

4.11.4 Annual Technical Inspection Reports (ATIRs)

The Office of the Accountant General (G&SSA), Odisha, issued nine ATIRs on Urban Local Bodies, relating to the financial years 2005-06 to 2014-15. Major audit findings on the transactions of the ULBs of the State were reported therein.

⁵⁹ Triangular Committee Meetings (TCMs) are held between representatives of the concerned administrative departments, Heads of Department and the Accountant General, for settlement of outstanding audit paras.

However, Government's reply was not received on any of these ATIRs. A number of meetings were convened with the Commissioner-cum-Secretary of the Housing and Urban Development Department and demi-official correspondence was also made with the Chief Secretary to Government of Odisha. However, Government had not taken any remedial action on the issue, as of June 2022.

Recommendations:

- 2. Department may create a cell for verification of pending audit observations and initiate action for their speedy settlement.***
- 3. Serious irregularities pointed out by Audit, as well as remedial action thereon, may be reviewed, to ascertain lapses in the Internal Control mechanism and to avoid repetition of such irregularities in future***

<p style="text-align: center;">Section B Accounting Framework and Financial Reporting Issues</p>
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4.12 Accounting framework of ULB

4.12.1 Maintenance of Accounts and certification of accounts

The Ministry of Urban Development, GoI, released the National Municipal Accounts Manual (NMAM) for ULBs in India, in November 2004. Subsequently, the H&UD Department published the Odisha Municipal Accounting Rules, 2012.

In Odisha, the respective ULBs prepare their own accounts, which are certified by the DLFA, in terms of Rule 20(h) of the Odisha Local Fund Audit Rules, 1951. As against the Audit Plan to certify 117⁶⁰ annual Accounts of ULBs, DLFA certified 107 Accounts, during the financial year 2020-21, with the shortfall being attributed to the Covid-19 pandemic.

4.12.2 Adoption of Accrual Based Accounting System

As per Rule 3 of Odisha Municipal Accounts Rules, 2012, adoption of the accrual based double entry system of accounting was mandatory for ULBs from July 2012. However, as of March 2021, out of 114 ULBs, only 79 ULBs had been able to migrate to the double entry accounting system. In the other 35 ULBs, the cash based manual accounting system was still in use.

4.13 Generation of own revenue

4.13.1 Central Valuation Board on Property Tax

As per Section 131(1) (a) of Odisha Municipal Act, 1950, the Municipality shall have power to levy property tax on lands and buildings. The Thirteenth Finance Commission (TFC) had recommended the setting up of a State Level Central Valuation Board, in order to standardise property assessment and valuation across each State. TFC had also recommended constitution of a Property Tax Board, to assist ULBs in putting in place an independent and transparent procedure for assessing property tax. The State Government had decided to rationalise property tax, through legislation, by way of introducing the Unit Area based taxation system in all ULBs. Accordingly, a selection committee was constituted (October 2016), by the Government, for appointment of the Chairperson and other members of a State Municipal Corporation Valuation Committee (SMCVC), for standardisation of property assessment and valuation, across all Municipal Corporations in the State. The Fourteenth Finance Commission (FFC) also emphasised property tax as an important tool for enhancing the income of ULBs. However, neither a State Level Central Valuation Board on property tax nor a SMCVC, were established in the State. As a result, ULBs lacked technical guidance for assessment and revision of property tax.

During FY 2020-21, Audit test-checked the property assessment procedure adopted in nine ULBs and observed that Holding Tax⁶¹, amounting to ₹27.84 crore, had not been collected from various government and private establishments, as of

⁶⁰ Out of 114 annual accounts, 113 were planned and 117 annual accounts were audited, including four arrear annual accounts of previous years

⁶¹ Holding tax or property tax is a tax levied on the owner of a building property situated within the Municipality, assessed on the annual value of the property (Section 131 of OMA 1950).

31 March 2020. These ULBs had also not considered revision of property/holding tax, depriving them from generation of own revenue through the modality of property tax.

4.14 Financial reporting issues

4.14.1 Submission of Utilisation Certificates

Submission of Utilisation Certificates provides assurance to the funding agency about the fair usage of funds for the purpose for which they were granted. In compliance audit, it was observed that eight (out of nine test-checked ULBs, audited during FY 2020-21) ULBs had not submitted UCs amounting to ₹382.67 crore as of March 2020.

4.14.2 Opening of Multiple Bank Account

During the compliance audit of nine test-checked ULBs, carried out during FY 2020-21, it was observed that in two⁶² ULBs, multiple bank accounts were operational in regard to the same schemes.

4.14.3 Non-reconciliation of cash book with bank account balance

Sub-rule 3(a) of Rule 97 of the Odisha Municipal (Accounts), Rules 2012, specifies that bank reconciliation procedures are to be carried out at the end of every month. It was observed that, out of nine test-checked ULBs (audited during FY 2020-21), seven ULBs had not been reconciling their cash book balances, with their bank book balances, at the end of each month. Non-reconciliation of cash books, with bank accounts, carries the risk of misuse of funds.

⁶² Cuttack Municipal Corporation, Sambalpur Municipal Corporation

CHAPTER 5

Performance Audit on the Efficacy of Implementation of the 74th Constitution Amendment Act

CHAPTER 5

Performance audit on the Efficacy of implementation of 74th Constitution Amendment Act with focus on 3Fs-Fund, Functions and Functionaries

Executive Summary

Intent of the 74th Constitutional Amendment Act

The Constitution of India provides a clear mandate for democratic decentralisation through the 74th Constitutional Amendment Act, which sought to create an institutional framework of local self-government for ushering in democracy at the grass root level. Accordingly, the Act provides for devolution of 18 functions as listed in the Twelfth Schedule to the urban local bodies. The 74th CAA came into force with effect from 1 June 1993.

Why this Performance Audit?

The objective is to assess whether the ULBs were adequately entrusted with functions and whether they were empowered with adequate capacity and resources to fulfill the obligations/responsibilities in respect of their functions.

Period of Audit : 2015-16 to 2019-20

Sample : 20 ULBs across all three tiers

What Audit found

To comply with the provisions of the 74th CAA the State Government enacted the Odisha Municipal (OM) Act and Odisha Municipal Corporation (OMC) Act. Audit observed that the legal provisions were not backed by decisive actions, resulting in a situation in which the spirit of the 74th CAA has not fructified. The devolution of functions and creation of appropriate institutional mechanisms for effective decentralisation, remained lackadaisical.

The 74th CAA envisaged devolution of 18 functions to the ULBs. Audit observed that out of 18 functions, the ULBs had no role in respect of one function; ULBs were simply implementing agencies for three functions; ULBs had dual role in one function; and in respect of 13 functions, the ULBs had minimal role and/or had overlapping jurisdiction with State Government departments and/or parastatals.

Audit observed that, out of the total 114 ULBs, elections had not been held in 112 ULBs, with delays ranging from 41 days to 3,252 days as of March 2021. As such, Standing Committees and Ward Committees were not constituted in these ULBs, leading to absence of community participation in local governance.

ULBs had failed to prepare and submit their comprehensive Development Plans to the District Planning Committees, for inclusion in the comprehensive District Development Plans.

The need to seek approval of the District Administration for works to be taken up from own sources of ULBs, despite prior approval by the respective Councils, went against the autonomy of ULBs.

The existence of parastatals significantly eroded the autonomy of the ULBs in the implementation of functions, especially in urban planning, slum improvement and water supply and sewerage.

Delays in constitution of the State Finance Commissions (SFCs) and delays in implementation of their recommendations, led to delays in fiscal transfers by the State, impacting the revenues of ULBs.

The State Government did not provide autonomy to ULBs in generating their own revenue. Omissions attributable to ULBs, such as non-revision of rates, non-collection of sewerage cess *etc.*, also contributed to lower revenue generation.

ULBs were largely dependent on fiscal transfers from the Government of India (GoI) and the Government of Odisha (GoO), which together constituted about 91.64 *per cent* of their total funds, while the own revenue of ULBs constituted only 11.22 *per cent* of their total funds, during the period covered under audit (from FY 2015-16 to FY 2019-20).

There was a shortfall of ₹196.44 crore in fiscal transfers during the period from FY 2015-16 to FY 2019-20 *vis-à-vis* the recommendations of the SFC. Against an allocation of ₹354.51 crore of performance grants by 14th Central Finance Commission (CFC) during FY 2016-17 to FY 2019-20, ULBs could not avail ₹ 286.25 crore, mainly due to non-compliance to urban reforms and deficiencies in attainment of the benchmark levels fixed by GoI.

While budget exercises were flawed and resulted in preparation of unrealistic and unscientific budgets, ULBs had spent only 29 to 42 *per cent* of the funds available with them, during FY 2015-16 to FY 2019-20.

Powers to assess staff requirements and recruitment of such personnel were vested with the State Government against the spirit of decentralisation. The State Government also vested with itself the powers to regulate the classification, method of recruitment, conditions of service and pay and allowances, as well as to initiate disciplinary action on the staff of ULBs and transfer staff across ULBs, or to other Government departments.

Population was the sole criterion for determining the sanctioned strength of ULBs. The sanctioned strength decreased, despite increase in population over a decade, in all the test-checked ULBs.

Huge vacancies across all cadres, specifically in crucial technical posts, resulted in the absence of adequate manpower for providing delivery of citizen-centric services.

A large number of posts were filled up on contractual basis, as well as on deputation basis. This impacted the accountability of ULBs in performance of functions.

Recommendations:

1. *Government may entrust task of delimitation to the State Election Commission as per the recommendation of the 2nd Administrative Reforms Commission.*
2. *In order to enable ULBs to function as effective democratic units of local Self Government, the State Government may consider for timely conduct of elections.*
3. *Government may constitute the State Finance Commissions immediately at the expiry of every five years.*
4. *To strengthen ULBs in long term, Government may take appropriate action on the recommendations of SFC in regard to institutional measures.*
5. *The Central Valuation Board may be established in order to enable ULBs to revise their tax structure regularly and provide technical expertise to ULBs.*
6. *Government may establish an independent assessment mechanism for implementation of road works in ULBs.*
7. *ULBs need to assess and explore ways for generating 'own revenue' for their self-sustenance.*
8. *Government may ensure timely release of balance SFC grants and take necessary steps to obtain the performance grants from the Central Government, in order to augment the financial resources of ULBs for meeting their expenditure.*
9. *Government may issue instructions to ULBs for effective collection of Holding Tax.*
10. *Since receipts of grants from Government still constitutes the major chunk of revenue of ULBs, the Department may take it more predictable, to enable ULBs to streamline their budgeting process.*
11. *Government may ensure stringent implementation of timeframes for execution of works.*
12. *Government may take action to ensure that ULBs enjoy an adequate degree of autonomy in regard to the functions assigned to them, without the intervention of other agencies/parastatals, in order to achieve effective decentralisation.*
13. *Government may arrive at a desired sanctioned strength of ULB officials based on population, nature of population, geographical area etc. and take appropriate steps for filling up the vacant posts.*

Part-I

This part deals with the challenges faced by the ULBs and the background based on which the 74th Constitutional Amendment Act was enacted. It describes how the Act provides constitutional status to ULBs through devolution of various functions and enumeration of financial powers to enable the ULBs to act as institutions of self-government. It also discusses the availability of organisational structure for urban self-government.

5.1 Introduction

5.1.1 74th Constitutional Amendment Act

In many States, local bodies had become weak and ineffective on account of various reasons, including the failure to hold regular elections, prolonged supersession and inadequate devolution of powers and functions. As a result, the Urban Local Bodies were not able to perform effectively as vibrant democratic units of self-government. Accordingly, the Constitution (Seventy Fourth Amendment) Act, 1992 (74th CAA), which came into effect on 1st June 1993, introduced Part IX A (The Municipalities) in the Constitution of India. The Act provided constitutional status to Urban Local Bodies (ULBs). Article 243W of the CAA authorised State Legislatures to enact laws to endow local bodies with powers and authority, as may be necessary to enable them to function as institutions of self-governance and make provisions for adequate funds and functionaries for execution of the devolved functions. The Twelfth Schedule of the Constitution enumerates 18 specific functions, given in the **Appendix-5.1**, to be devolved to ULBs. The 74th amendment provided for constitution of ULBs, elections to these ULBs and formation of committees in these ULBs. It also enumerated: (i) the powers and responsibilities of ULBs to generate own revenue (ii) sharing of revenue between State Government and ULBs and (iii) allotment of funds from the Consolidated Fund of the State, besides grants from GoI. Though the 74th CAA came into force from 1 June 1993, the Odisha Municipal Act, 1950 (OMA) was amended in 2007. The Odisha Municipal Corporation Act, 2003 (OMCA) was enacted to ensure devolution of powers and responsibilities to ULBs, in relation to the subjects listed in the Twelfth Schedule as detailed in **Part III**.

5.1.2 Trend of Urbanisation in Odisha

As per Census 2011, out of the total population of 4.20 crore of the State, 0.70 crore (16.67 *per cent*) reside in urban areas. The percentage growth of urban population in the decades 2001-2011 and 2011-2020 were 26.90 *per cent*⁶³ and 36.25 *per cent*⁶⁴ respectively. The increase in urban population was mainly due to better education, health and employment opportunities in the cities. Urban Odisha, faces multiple challenges, such as public health issues, poverty alleviation, waste management *etc.* due to rapid expansion of population. In this scenario, ULBs have an important role to play as most of these issues are best handled at the local level.

⁶³ Census 2011

⁶⁴ Manual of Solid Waste Management 2016

5.1.3 Category wise ULBs in Odisha

In accordance with the Odisha Municipal Act, ULBs in Odisha have been categorised on the basis of population. The constitution relating to ULBs inter-alia provides for three types viz. (i) Municipal Corporations for larger urban areas, (ii) Municipalities for smaller urban areas and (iii) Notified Area Council (NACs) for transitional areas. There are five Municipal Corporations, 45 Municipalities and 64 NACs, thus totalling to 114 ULBs in the State as detailed in **Appendix 5.2**. The ULBs are governed by the Odisha Municipal Act, 1950 and Municipal Corporation Act, 2003.

5.1.4 Broad framework of functions carried out by ULBs

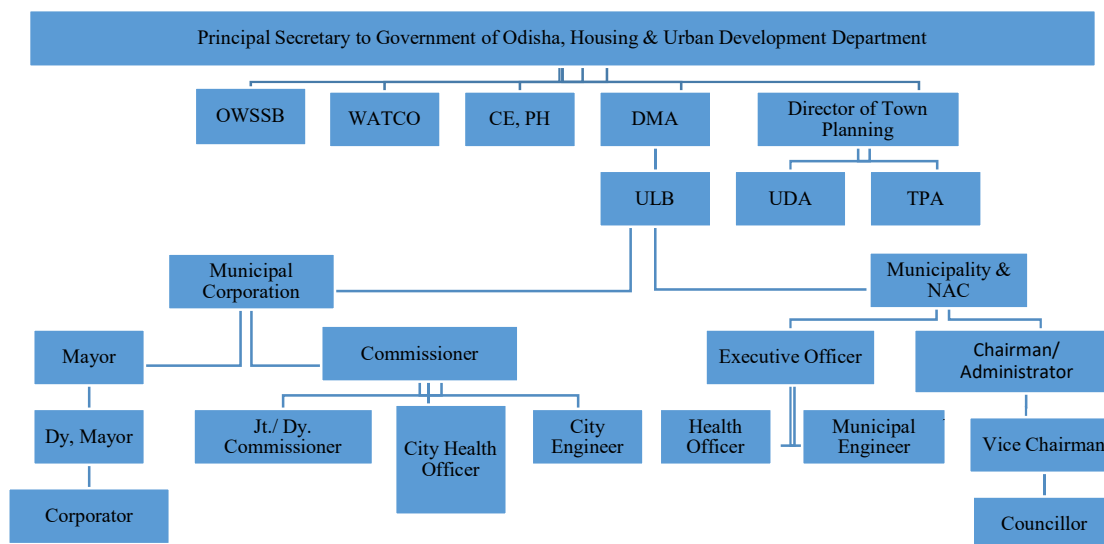
As per the 74th CAA, ULBs have to perform 18 functions, as mentioned in the Twelfth Schedule. The broad framework of functions carried out by the ULBs is depicted in the **Appendix-5.3**.

5.1.5 Organisational structure for Urban Local Self Government in Odisha

The Housing and Urban Development (H&UD) Department, Government of Odisha (GoO), is headed by Principal Secretary to the Government, assisted by the Directorate of Municipal Administration (DMA) (attached to the Department), Directorate of Town Planning (DTP) and Chief Engineer (CE), Public Health Engineering Organization (PHEO).

DMA regulates the functioning of all Municipal Corporations, Municipalities and NACs, in performing their enforcement and regulatory activities in the State. DMA coordinates various activities of the Municipal Corporations, Municipalities and NACs in the field. The Directorate has the responsibility to supervise the developmental functions of the ULBs, work out suitable human resource policies, exercise disciplinary control over the staff, monitor tax collection activities, lay down policies for transparency in expenditure, hear appeals against the decisions of ULBs, release Government funds to the ULBs, as well as to monitor the implementation of schemes and programmes. However, to deliver or facilitate urban infrastructure and services, the H&UD Department has other key agencies, such as the Water Corporation (WATCO), Odisha; CE/PHEO, Odisha; Odisha Water Supply and Sewerage Board (OWSSB); nine Urban Development Authorities (UDAs) and 20 Town Planning Authorities (TPAs) under DTP, Odisha, under its control. These functionaries act as parastatal agencies, directly accountable to the State Government and not the local Government. Further another organisation namely Odisha Livable Habitat Mission (OLHM) “JAGA” was registered under the Societies Registration Act, 1860 to transform slums into liveable habitats and to deliver other urban services. The details of parastatals and their functions are discussed in **Part-V**. The organisational structure, with regard to the functioning of ULBs in the State, is as indicated below:

Chart-5.1 ORGANISATIONAL STRUCTURE OF ULBs IN THE STATE



Part-II

This part describes the broad objectives of the Performance Audit, the source of Audit criteria used and the scope and methodology adopted for the Performance Audit.

5.2 Audit Framework

5.2.1 Audit Objectives

The broad objectives of the Performance Audit were:

- 1) To ascertain whether the basic framework for devolution of functioning was as per the 74th CAA.
- 2) To ascertain whether the devolution of funds to the ULBs has taken place as recommended by the Central Government and State Government.
- 3) To evaluate the actual extent of devolution of functions to the ULBs envisaged in the 74th CAA.
- 4) To assess whether the ULBs are able to carry out the functions devolved to them through adequate functionaries.

5.2.2 Audit Criteria

The following sources of audit criteria were used by Audit, for assessment of the extent of devolution:

- (i) 74th Constitutional Amendment Act, 1992;
- (ii) Odisha Municipal Act, 1950;
- (iii) Odisha Municipal Corporation Act, 2003;
- (iv) Odisha Municipal Accounting Rule, 2012;
- (v) Odisha Municipal Laws Amendment Act, 2015;

- (vi) Odisha Development Authorities Amendment Act, 2015;
- (vii) The Odisha Water Supply and Sewerage Act, 1991;
- (viii) Odisha Land Rights to Slum Dwellers Act, 2017;
- (ix) Central/State Finance Commission Report;
- (x) Report of the Second Administrative Reforms Commission; and
- (xi) State Government orders, notifications, circulars and instructions, issued from time to time.

5.2.3 Audit Scope and Methodology

The Performance Audit, covering the period from FY 2015-16 to FY 2019-20, was carried out in two spells, from December 2020 to April 2021 and July 2021 to September 2021, in 20 selected ULBs⁶⁵ of all three tiers, viz. Municipal Corporations, Municipalities and NACs, along with connected parastatals involved in the execution of devolved functions. The following functions/activities were selected for detailed checking.

- (i) Water Supply
- (ii) Public Health and Sanitation
- (iii) Solid Waste Management
- (iv) Property tax
- (v) Water Tax/Charges
- (vi) Roads and Bridges

Besides test-check of records in 20 selected ULBs out of 114 in the State, records in the offices of Principal Secretary, H&UD Department, DMA, CE/PHEO, WATCO, Works Department, OWSSB, UDAs and TPAs were also scrutinised.

An Entry Conference was held on 17 February 2021 with the Principal Secretary, H&UD Department, in which the audit objectives, criteria, scope and methodology, were explained. An Exit Conference was held on 18 April 2022 with the Principal Secretary to Government, H&UD Department wherein Audit observations were discussed. The views expressed at the meeting and the replies furnished by the Department were considered and incorporated in the report.

5.2.4 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the State Government, DMA, CE, PHEO, WATCO, Works Department, OWSSB, UDA, TPAs and all the test-checked ULBs, in conduct of the performance audit.

⁶⁵ Balugaon NAC, Baragarh Municipality, Berhampur Municipal Corporation, Bhadrak Municipality, Bhawanipatna Municipality, Bhubaneswar Municipal Corporation, Cuttack Municipal Corporation, Dasapalla NAC, Jajpur Municipality, Jharsuguda Municipality, Kendrapara Municipality, Khurda Municipality, Konark NAC, Koraput Municipality, Puri Municipality, Ranapur NAC, Rayagada Municipality, Rourkela Municipal Corporation, Sunabeda Municipality and Vyasagar Municipality.

Part-III

In this part, the constitutional provisions of 74th CAA, compliances thereto by the State Government through enactment of State legislation and the functioning of the ULBs are discussed.

Out of the 18 functions to be devolved, ULBs in Odisha exercise no role in one function while all the other functions were either being partially carried out by ULBs, or the ULBs had overlapping jurisdictions with other parastatals, rendering truly decentralised governance a pipe dream.

Out of the total 114 ULBs, elections had not been held in 112 ULBs, with delays ranging from 41 days to 3,252 days as of March 2021. As such, Standing Committees and Ward Committees were not constituted in those ULBs leading to absence of community participation in local governance.

None of the test-checked ULBs had prepared their Development Plans, for inclusion in the comprehensive District Development Plan.

The need to seek approval of the District Administration for works to be taken up from own sources of ULBs, despite prior approval by the respective Councils, went against the autonomy of ULBs.

5.3 Planning for Compliance to provisions of the 74th CAA and functioning of ULBs

5.3.1 Assessment of State level legislations vis-a-vis 74th CAA

The 74th CAA introduced certain provisions relating to municipalities, vide Articles 243Q to 243ZD. The State Government, vide amendments to the OMA/OMCA, introduced provisions corresponding to the CAA provisions, as detailed in **Appendix-5.4**. Major provisions of the State legislations corresponding to constitutional provisions are detailed below:

- Article 243Q: -This article provides constitution of three types of municipalities. The State complied with this provision vide Section 4 of OMA 1950 and Section 3(1) of OMCA 2003.
- Article 243R: - All the seats in a Municipality shall be filled by direct elections and by persons with special knowledge in municipal administration etc. as nominated by Government. The State brought this provision in Section 8 of OMA 1950 and Section 6 of OMCA 2003.
- Article 243X: - This Article provides for State Government to delineate power to impose taxes and sources of funds of the Municipalities. The State made provision vide Section 131 of OMA 1950 and Section 191 and 192 of OMCA 2003.
- Article 243Y (read with Article 243 I): - State Government shall constitute Finance Commission to review the financial position of the municipalities, allotment of funds and distribution between the State and the Municipalities of the net proceeds of the taxes, fees, tolls and duties that are charged by the State Government. Section 120A of OMA 1950 and Section 146 of OMCA 2003 empowers the state for constitution of the Finance commission.

- Article 243ZA (read with Article 243K): - The superintendence, direction and control of all procedures of elections of the Municipalities shall be vested in the State Election Commission (SEC). In this regard, Section 11A of OMA 1950 and Section 62(1) of OMCA, 2003 vested the power to conduct of all elections in the SEC.

The State Government had complied with the provisions of the 74thCAA through OMA 1950 and OMCA 2003 and necessary amendments made from time to time. However, compliance to the constitutional provisions by law does not guarantee effective decentralisation on ground, unless it is followed by effective implementation. Audit observed that the legal provisions were not backed by decisive actions, resulting in a situation in which the spirit of the 74th CAA has not fructified. This was especially true in case of provisions pertaining to the devolution of functions and creation of appropriate institutional mechanisms for effective decentralisation, which are discussed in the subsequent Chapters/Paragraphs.

In reply, the Government accepting the fact, stated (May 2022) that some Acts and Rules are further being amended by the State to empower the ULBs to act as an effective local self-government as per the recommendation of 2nd Administrative Reforms Commission and 74th CAA.

5.3.2 Devolution and implementation of functions

The 74th CAA sought to empower ULBs to perform functions and implement schemes in relation to 18 functions specified in the Twelfth Schedule. Each State was expected to enact legislation to implement the amendment. The State Government claims to have devolved almost all functions to ULBs as per 74th CAA. However, as per the OMCA, 2003 10 functions were obligatory, seven functions were discretionary and one function is neither obligatory nor discretionary, as detailed in *Appendix-5.5*.

Out of 18 functions to be transferred, the State Government claimed that almost all functions were transferred. Audit observed overlapping in discharge of the functions between ULBs and parastatals/ government departments. Out of 18 functions, the ULBs had no role in respect of one function namely fire service; ULBs were simply implementing agencies for three functions viz. (i) Planning for economic and social development, (ii) Urban poverty alleviation, and (iii) Safeguarding the interest of weaker sections of society including the handicapped and mentally retarded; ULBs had dual role in one function of Roads and bridges; and ULBs had minimal role and/or overlapping jurisdiction with State Government departments and/or parastatals in respect of 13 functions, viz. (i) Urban planning including town planning, (ii) Regulation of land-use and construction of buildings, (iii) Water supply for domestic, industrial and commercial purposes, (iv) Public health, sanitation conservancy and solid waste management, (v) Urban forestry, protection of the environment and promotion of ecological aspects, (vi) Slum Improvement and up-gradation, (vii) Provision of urban amenities and facilities such as parks, gardens, play grounds, (viii) Promotion of cultural, educational and aesthetic aspects, (ix) Burials and burial grounds, cremations, cremation grounds and electric crematoriums, (x) Cattle pounds, prevention of cruelty to animals, (xi) Vital statistics, including birth and death registrations, (xii) Public amenities, including street lighting, parking lots, bus stops and public conveniences and

(xiii) Regulation of slaughter houses and tanneries. Details of functions with corresponding jurisdiction of ULBs is given in *Appendix-5.6*.

Details of implementation of the above functions, in the test-checked ULBs are given in *Appendix-5.7*.

In reply, the Government stated (May 2022) that almost all functions under Twelfth Schedule have been devolved to the Municipalities. However, it did not furnish documentary evidence of devolving the functions except three⁶⁶.

Regarding no role of ULBs in Fire Services, Government stated (May 2022) that as Fire Services required high technical skills with high end machinery and law and order situation, the service has been vested with Home Department. However, Municipalities have been empowered to utilize the Municipal Fund for establishment and maintenance of a fire brigade as per Section 117 (xxx) of OMA. The reply is not tenable as none of the test checked ULBs has established fire brigade.

In respect of functions where ULBs are functioning as simply implementing agencies, State Government stated that being the third-tier Government, local body needs to take necessary action as per operational guidelines of the scheme or programme. The reply of Government confirmed that ULBs were acting as only implementing arm of Central and State Government schemes.

As regards dual role of ULB in execution of Roads and Bridges, State Government stated (May 2022) that the municipal roads within the area of an ULB are executed by the ULB and other roads such as National Highways, State Highways etc., are transferred to other Departments. The reply is not acceptable as Audit found instances of transfer of ULB roads which were not maintained by Works Department.

In respect of minimal role/overlapping functions of ULBs Government stated (May 2022) that some functions are being performed by the parastatals and some functions are being performed by the ULBs. The fact, however, remained that only some components of three out of 13 functions are being performed by the ULBs.

5.3.3 Institutional mechanism for empowerment of Urban Local Bodies

Discharge of devolved functions can be effective only when appropriate institutions are established and adequately empowered. The 74th CAA provided for establishment of institutional mechanisms as described below.

5.3.3.1 State Election Commission

Article 243ZA read with Section 12 of OMA 1950 and Section 62(1) OMCA 2003 states that the powers of the State Election Commission (SEC) include superintendence, direction and control of the preparation of electoral rolls and the conduct of all elections to ULBs. The 2nd Administrative Reforms Commission, constituted by GoI, had recommended entrustment of the task of delimitation and reservation of wards to the SECs, which was accepted by GoI.

⁶⁶ (i) Public health, sanitation conservancy and solid waste management (Odisha Gazette Resolution dated: 03.11.2006) (ii) Planning for economic and social development (Odisha Gazette Resolution dated: 03.11.2006) and (iii) Regulation of land use and construction of buildings (H&UD Order No.1781, dated: 19.01.2015)

Contrary to the above recommendation, the power of delimitation of wards, reservation of seats for the council and rotation policy of seats for the posts of Mayor/Chairman, Deputy-Mayor/Vice-Chairman and wards were vested with the Government of Odisha.

In reply, Government stated (May 2022) to have noted the observation of Audit.

Recommendation:

- 1. Government may entrust task of delimitation to the State Election Commission as per the recommendation of the 2nd Administrative Reforms Commission.***

5.3.3.2 Status of elections and formation of councils

Article 243 U(3)(a) para 3(f) of the 74th CAA and provisions of the OMA and OMCA, stipulate a fixed tenure of five years for the Corporators/Councillors of ULBs from the date of the first meeting. As such, the fixed tenure of the Municipality/Corporation is five years and re-elections are to be held before the expiry of its duration. If a municipality is dissolved before the expiration of its duration, election is to be held within a period of six months of its dissolution.

Audit observed that, out of the total 114 ULBs, elections were held (April 2018) only in two ULBs *i.e.*, Hindol NAC & Atabira NAC and Councils were existing only in these ULBs. However, (i) in regard to 106 ULBs, which had been dissolved/where the Council's term had expired between April 2016 and January 2021, the last elections had been held between April 2011 and January 2016 and (ii) 6 ULBs had been newly constituted, between April 2012 and December 2017.

Since the dissolution/term expiration/new creation of these councils, elections had not been held in 112 ULBs, for periods ranging from 41 days to 3,252 days (nine years), as of March 2021 as detailed in ***Appendix-5.8***.

As there were no councils in 112 ULBs, the involvement of elected representatives in decision making and implementation of functions, which is essential for decentralized governance, is absent. Further, a ULB without a council is handicapped without proper representation for the needs of the citizens. This affects the discharge of functions in matters of policy involving public interest and specific requirements at the grassroots level.

In reply, the Government stated (May 2022) that the election process was delayed due to court cases and COVID-19 pandemic. However, due to non-existence of elected body in the ULB, the Department had constituted Ward Office and appointed Ward Officer. The Ward officer addressed the local needs of the citizen. Development activities were finalized in consultation with the local SHGs, Slum Dweller Association, and Federation of Residential Association etc. The reply is not acceptable as Audit was not provided with any records regarding involvement of the local SHGs, Slum Dweller Association, and Federation of Residential Association in matters of policy making and specific requirements at grass root level in any test checked ULBs. Thus, non-conduct of election of ULBs defeated the spirit of 74th CAA and adversely affected the decentralized governance as follows.

- **Article 243R** stipulates the composition of Municipalities. As per OMA and OMCA, the Municipalities and Corporations consist of elected Councillors /Corporators. The Chairman/Mayor is elected from amongst the Councillors/Corporators and is assisted by Standing Committees. The Corporations have 10 Standing Committees each, the Municipalities and NACs have five Standing Committees each. However, due to non-conduct of ULB elections between 03.04.2012 and 19.01.2021, no Council and Standing Committees existed in 112 ULBs, for addressing issues at the grassroots level.

In reply, Government stated (May 2022) that as on date 110 ULBs have elected bodies except four ULBs in which election could not be held due to sub-judice status of the matter in the Hon'ble High Court. The fact, however, remained that due to non-conduct of ULB elections no council and standing committee existed in 112 ULBs for impermissible period ranging from 41 to 3252 days (nine years) as March 2021 as detailed in *Appendix-5.8*.

- **Article 243S** provides for Ward Committees in all Municipalities with a population of three lakh or more. As per Section 21 of the OMCA, Ward Committees shall be constituted by all the Municipal Corporations. The Ward committees were to act as a bridge between the municipal body and citizens by increasing proximity between the elected representatives and citizens and provide a space for citizen participation in local level planning.

Audit observed that Ward Committees had not been constituted in any of four⁶⁷ sampled Municipal Corporations. This defeated the objective of facilitating community participation in local governance.

In reply, the Government stated (May 2022) that in absence of elected bodies Ward Officers were appointed in August 2019 to address the local needs. However, the fact remained that there was no mechanism from the date of expiry of terms of the ULBs up till August 2019 to address the local needs.

Recommendation:

- 2. In order to enable ULBs to function as institution of effective democratic units of local Self-Government, the State Government may consider for timely conduct of elections.***

5.3.3.3 District Planning Committees

Article 243ZD provides for the constitution of District Planning Committees (DPCs), for consolidation of development plans prepared by the Panchayats and the Municipalities. The District Development Plan (DDP) is to be prepared by the District Planning Committee for the district as a whole by collecting information/data/statistics from all departments and is to be forwarded to the State Government for integration into the State plan. Audit observed that,

- Though DPCs were constituted at the district level, none of the test-checked ULBs had prepared their comprehensive Development Plans for submission to DPCs.

⁶⁷ Bhubaneswar Municipal Corporation, Cuttack Municipal Corporation, Berhampur Municipal Corporation and Rourkela Municipal Corporation.

- The 74th CAA provides for representation of elected members of municipalities in the DPCs. As there was no council in 112 ULBs, there was no elected representative from the ULBs in the DPCs.

Non-preparation of comprehensive Development Plans by Municipalities, not only implied a failure to address local needs and matters of public interest, but also constituted a violation of the provisions of the 74th CAA.

Accepting the fact, Government stated (May 2022) that as election process has been completed in 111 ULBs⁶⁸, the elected representatives will become members of DPC very soon. The fact remained that elections in four ULBs are yet to be conducted.

5.3.3.4 State Finance Commission

Article 243-I makes it mandatory for the State Government to constitute a Finance Commission within one year of the commencement of the CAA and thereafter on expiry of every five years. The mandate of the State Finance Commission (SFC) is to review the financial position of the local bodies and to make recommendations to the Governor for devolution of funds.

(i) Delay in constitution of the State Finance Commission

The 73rd and 74th CAA came into force on 1 June 1993. Hence, the setting up of first SFC became due on 31 May 1994, for all States, with subsequent SFCs to be set up thereafter at the expiry of every fifth year. The details of constitution of SFC is given in *Appendix-5.9*. There was delay of 903 days in constitution of 1st SFC which had resulted in consequential delay in constitution of SFCs as per provision.

Though the 6th SFC was due from 1st June 2019 as per constitutional provision, the recommendations of 5th SFC were being implemented for the period from FY 2020-21 to FY 2024-25. Thus, it was observed that there is considerable divergence between the constitutional provisions regarding setting up of SFCs by the State and the actual formation of SFCs and delay in days with respect to previous SFC ranged between 49 and 580 days during the period 2003 to 2018.

In reply, the Government stated (May 2022) that as the SFC was constituted by the Government in Finance Department, H&UD Department had no role to play.

Recommendation:

- 3. Government may constitute the State Finance Commissions immediately at the expiry of every five years.**

(ii) Non-implementation of recommendations of State Finance Commission

Besides recommendations relating to devolution, SFCs have recommended several institutional measures that would strengthen ULBs in long term. An illustrative list of recommendations, where action was yet to be initiated is indicated below:

⁶⁸ Election process completed in 111 ULBs including one newly created ULB (Remuna NAC)

- ULBs still require more liberty to function within their legitimate domain of operations, without waiting for Government's approval.
- Municipal cadre should be put in place as quickly as possible. The Present Local Fund Service (LFS) and non-LFS staff have not been replaced by the organized municipal cadre.
- ULBs need to develop Integrated Urban Accessibility Planning which must include (i) Data Collection and Mapping (ii) Analyzing the magnitude of the problems and (iii) type of intervention required.
- Formulation of a policy for land transfer to ULBs.
- Setting up of a state level institution with professional experts to impart training regularly to the manpower and elected representatives engaged in urban administration.
- Line agencies like Development Authorities, Sewerage Board, PHEO, Director, Town Planning etc., need to put in place a framework of guidelines relating to functioning with ULBs, which is yet to be formulated.
- Urban Open Space Management Planning should form an important activity of the ULB. State Government needs to formulate a suitable policy, in the light of "Urban Greening Guidelines, 2014" of GoI, which is yet to be done.
- Should have drainage master plans, which were absent in most of the sampled ULBs.
- Management of markets and daily *haats*⁶⁹ should remain with the ULBs within which such markets exist.

Implementation of the above recommendations would have contributed significantly to the realisation of the objectives of the 74th CAA. Non-implementation was a setback to the process of achieving genuine decentralisation.

Regarding liberty to function within their legitimate domain of operations, Government stated (May 2022) that Odisha Municipal (Amendment) Rule, 2017 has been enacted wherein the Municipal Council has been empowered to approve all projects taken from own source/other source. The reply was not acceptable as ULBs were submitting their Action Plans, SWM bye-laws and Annual Budgets for the approval of Government/District Administration as commented in **Paragraphs 5.3.3.7, 5.3.3.8(i) and 5.4.2** of this report.

In respect of Municipal Cadre, Government stated (May 2022) that Odisha Municipal Service Act 2016 has been enacted and published in June 2016 for dedicated Municipal Cadre. The reply is not acceptable as all the cadres are not filled up and officials are posted on deputation from other departments as mentioned in **Paragraph 5.6.2.2.**

⁶⁹ Open-air vendor stalls

Government accepting the Audit observations stated (May 2022) that the Department is taking necessary steps for compliance of the recommendations of SFC.

Recommendation:

- 4. To strengthen ULBs in long term, Government may consider for taking appropriate actions on the recommendations of SFC, in regard to institutional measures.**

5.3.3.5 Non-establishment of Central Valuation Board on Property Tax

Article 243X of the Constitution provides for levy of tax by ULBs for local-governance. To exploit the potentiality of property tax, the Thirteenth Finance Commission (TFC) had recommended that States should establish a Central Valuation Board, on the lines of the West Bengal Central Valuation Board in order to standardise property assessment and valuation. The Board was to assist all municipalities and municipal corporations in the State in putting in place an independent and transparent procedure for assessing property tax.

Contrary to the Constitutional provision and recommendation of the TFC, the Central Valuation Board on property tax was not established in the State. Consequently, ULBs lacked technical guidance for the assessment and revision of property tax. Out of the 20 test-checked ULBs, Audit observed that, in six⁷⁰ ULBs, though the last revision of property tax had been done between April 2004 and April 2013, further revisions had been delayed by three to 12 years as of March 2021. In one ULB, the last revision had been made in April 2020, while the other 13 ULBs did not furnish any records relating revision of Property Tax. The absence of a Valuation Board for technical guidance, besides leading to lack of uniformity in collection of holding tax, also adversely affected the own revenue generation of the ULBs as discussed in **Paragraph 5.4.1.1(i)**

In reply, Government stated (May 2022) that a Valuation Organisation has been established to assist all ULBs in the State to assess the property tax. The reply is not tenable as despite establishment of the Valuation Organisation, the revision of property tax was not done in uniform manner at regular intervals.

Recommendation:

- 5. The Central Valuation Board may be established in order to enable ULBs to revise their tax structure regularly and to provide technical expertise to ULBs.**

5.3.3.6 Overriding Power of the State Government over ULBs

As per Article 243W of the Constitution, the Legislature of a State may, by law, endow the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government. Audit observed that the State Government had overriding powers over ULBs, which was against the spirit of the constitutional amendment. A few provisions are indicated in **Appendix-5.10**.

⁷⁰ (i) BMC(01.01.2005) (ii) Jajpur Municipality(01.04.2004) (iii) Kendrapara Municipality(29.03.2006) (iv) Konark NAC(01.04.2013) (v) Puri Municipality(01.04.2006) (vi) Vyasagar Municipality(01.04.2011)

In reply, the Government stated (May 2022) that the State Government is empowered to frame Rules under Section 287 of OMA, 1950 and Section 656 of OMCA, 2003 as per the power conferred under Article 243W. However, the fact remains that actual devolution of powers has not been done by the State Government, which is against the spirit of 74th CAA.

5.3.3.7 District Urban Development Agency

The District Urban Development Agency (DUDA) was constituted (May 1999) under the control of the State Urban Development Agency (SUDA) (December 1990), to develop, formulate and implement Central and State Government schemes in the Municipal areas, in co-ordination with ULBs. The Project Director, DUDA, was to act as the main link between the ULBs and the district level government. The ULBs were required to prepare plans for development works to be taken up under various funds, including municipal funds. These plans were to be placed before the respective Councils, for approval. However, the ULBs are submitting the plans approved by their councils to DUDA for approval. The system of seeking approval by DUDA, after approval by the Council of ULB, is against the intention of the 74th CAA to provide autonomy to ULBs in the democratic framework of the country.

In reply, Government stated (May 2022) that the Odisha Municipal (Amendment) Rule, 2017 has been enacted wherein the Municipal Council has been empowered to approve all Projects taken up from own source/other source. The reply is not acceptable as all the plans after approval of council were sent to the DUDA for approval.

5.3.3.8 Other Audit findings on sampled functions

(i) Solid Waste Management

The Municipal Solid Waste Management Manual and Solid Waste Management Rules, 2016, stipulate that the ULBs shall:

- Prepare a solid waste management plan, as per state policy and strategy, on solid waste management, within six months from the date of notification of state policy,
- Frame by-laws for waste management
- Make arrangement for collection, segregation, storage, transportation and disposal of waste
- Construct, commission and operate waste management projects.
- Monitor and evaluate the waste management system

It was noticed that all the test-checked ULBs had prepared their model bye-laws on SWM and submitted them to the State Government, for approval and publication through a Gazette notification. Check of records produced to Audit in test checked ULBs revealed the following deficiencies:

- No action plan to handle and clear sporadic wastage dumps on the roadside, corners of parks, water bodies, vacant sites etc. was prepared.

Government stated (May 2022) that ULBs have notified Solid Waste Management bye-laws wherein it is instructed that no waste generator shall

throw or bury solid waste generated by them on streets, open public spaces outside their premises or in drains or water bodies. The reply is not acceptable as Government has not prepared any State policy and action plan for waste management.

- No assessment, through survey, had been made for the generation and disposal of waste and no periodical gap analysis was done.

Government stated (May 2022) that assessment of generation & disposal of solid waste and gap analysis were done through sample survey by the ULBs. The reply is not acceptable as the ULBs had not conducted any survey on waste generation during the period 2015-20 but adopted population estimation/per capita method.

- Segregation and disposal of bio-medical waste, as per norms was not being done in ULBs of BMC, CMC and Khordha (N), BeMC and Kendrapara.

Government stated (May 2022) that collection, segregation and disposal of Bio-medical waste were being implemented by Health & Family Welfare Department.

- Normative standards, prescribed to assess manpower requirements for solid waste management, were not being followed in BMC.

Government stated (May 2022) in reply that human resource has been deployed by the BMC for solid waste management as per Guidelines. However, Government had not furnished any documentary evidence in support of requirement and actual staff position for waste management in BMC.

- Fire management, at dumping yard sites, was not being done.

Government stated (May 2022) that steps have already been initiated for bio-remediation of the existing dumping yards in the ULBs. However, fire management requires more comprehensive steps.

(ii) Execution of Road works by both-ULBs and Works Department

As per the 74th CAA, ULBs have to perform the function of “Roads & Bridges”. As per Section 122 of the OMA, the State Government may, from time to time, by notification, exclude the operation of any such public road by ULBs, for repair and better maintenance and hand it over to the Works Department.

It was observed that, on the recommendations of the concerned ULBs, the H&UD Department had proposed (April 2013) transfer of 221 roads under 40 ULBs of the State to the Works Department, for development and repair/maintenance. Out of these, the Works Department had accepted only 108 roads under 37 ULBs.

It was further observed that 98 roads, in 14 out of the 20 test-checked ULBs, had been proposed by the H&UD Department, ULBs and District Level Monitoring Committees, for transfer to the Works Department, of which 42 roads were accepted by the Works Department as detailed in *Appendix-5.11*.

In reply, Government stated (May 2022) that as the roads were transferred to Works Department, H&UD Department had no role to play. The reply is not acceptable as all the roads transferred from H&UD Department were not

accepted by Works Department, as a result of which, four roads were not maintained by any of the Departments.

Scrutiny of records and joint site inspection of seven roads, within the jurisdiction of the test-checked ULBs revealed the following:

(iii) Non-maintenance of roads by ULBs – Roads proposed for transfer from ULBs but not accepted by Works Department

As discussed above, 92 urban roads were proposed for transfer to the Works Department, but 56 roads were not accepted by the Department. Hence, the ULBs were required to maintain those roads. Audit, however, observed that, in some cases, after transfer of the roads to the Works Department had been proposed, the ULBs did not undertake the repair and maintenance of these roads, even after non-acceptance of these roads by the Works Department. Site verification conducted on four such roads revealed the following:

- H&UD Department had transferred (May 2015) a road from Tinimuhani to Ichhapur, of the Kendrapara Municipality, to the Works Department, for repair and maintenance. Till date (April 2021), the R&B Division, Kendrapara, under the Works Department, has not taken over this road, in its jurisdiction. The repair & maintenance of the road is, at present, not being looked after by any department/ agency. Damages/ potholes were noticed on the road, during joint physical verification.
- A road from Dhabalagiri Chhak to Vyasasarobar Chhak, near Mundamal via Jodabar village was proposed for transfer (January 2019) by the Vyasagar Municipality, but was not taken over by the Panikoili R&B Division. The road is neither being maintained by the Vyasagar Municipality nor by the Panikoili R&B Division. Damage to the road as well as potholes were noticed at 00 m, 300 m, 400 m, 750 m, 900 m and 950 m near Dhabalagiri Chhak.

Photograph No.- 5.1



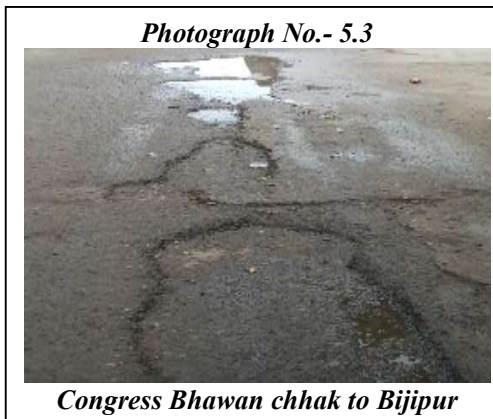
Tinimuhani to Ichhapur Road

Photograph No.- 5.2



Dhabalagirichhak to Vyasasarobar

- A road from Congress Bhawan Chhak to Bijipur Chhak, under BeMC, was transferred (April 2013) to the Works Department by H&UD, but was not accepted by the R&B Division, Ganjam-I, under the Works Department. Maintenance and development of the road has not been done since May 2013. During joint site verification, potholes were noticed on the road.



- As per resolutions passed (September 2019) in the Bhadrak Municipality, a road, running from NH 16 to Shani Temple via New Bus Stand, was to be transferred to the Bhadrak R&B Division for development and repair/maintenance. The road was not yet transferred (July 2021) to the Works Department. During joint site visit of the road, it was observed that the road required repairs to patches of damaged/ uprooted/ scarified cement concrete, at several places.




In reply, Government stated (May 2022) that the ULBs are maintaining the urban roads in phased manner utilizing the grant received under Finance commission and own revenue. The fact, however, remained that Audit came across the instances of non-maintenance of roads by ULBs for more than two to eight years even after non-acceptance of the proposal for transfer of roads to Works Department.

(iv) Non-maintenance of roads by the Works Department – Roads transferred from ULBs and accepted by Works Department

As discussed above, out of 92 urban roads proposed for transfer to the Works Department by H&UD Department, only 42 roads were accepted by the Department. Out of these 42 roads, site verification conducted on such roads revealed the following:


- A road from Nahaka by-pass to NH-215, near Kanheipur *via* Chandama Hingula Road, within the jurisdiction of the Vyasanagar Municipality, was transferred (July 2014) to the R&B Division, Panikoili, and was accepted (July 2014) by the Works Department. During physical verification (August 2021) of the road, damages and potholes were noticed, indicating that, despite transfer of roads to the Works Department, the roads were not properly maintained.

Photograph No- 5.5




Nahaka by-pass to NH-215
- A Road leading from NH-26 to SH-16 *via* Bhawanipatna Railway Station, in Bhawanipatna ULB, was transferred (May 2014) by the Bhawanipatna Municipality, to the Works Department. Despite transfer of the road six years ago, it has not yet been developed. The condition of the road is shown in the adjoining photograph.

Photograph No- 5.6



NH-26 to SH-16 via Bhawanipatna Railway Station
- The road from Purunabazar Chhak to Sangat Chhak, *via* Bokhari Baba Astana & Bahali Chhak, which is within the area of the Bhadrak Municipality, was transferred (November 2014) by H&UD and taken over (February 2015) by the Works Department. However, the road has not been taken into the books of the Department. During joint inspection of the road, it was seen that, from Sangat Chhak to Bahali Chhak, the road was in bad condition as shown in the photograph.

Photograph No-5.7



Purunabazar Chhak to Sangat Chhak

Such non-maintenance revealed that the ULBs were not made capable enough to take care of their needs and were dependent on existing structure which was found to be non-responsive.

In reply, the Department stated (May 2022) that information in this regard had been sought from Works Department and compliance will be submitted after receipt of the same.

Recommendation:

- 6. Government may establish an independent assessment mechanism for implementation of road works in ULBs.**

Part-IV

This part deals with the management of the financial resources of the ULBs. ULBs were largely dependent on fiscal transfers and the shortfalls in fiscal transfers were mainly due to stagnant own revenue generation and non-fulfillment of other conditions like holding of elections to the ULBs, furnishing of audited accounts and achievement of service level benchmarks. Non-revision of tax rates, non-collection of tax *etc.*, also contributed to lower revenue generation.

Wide variation between budget estimates and actual receipt of funds and expenditure, was evidence of unrealistic budget preparation.

5.4 Financial Resources Management of Urban Local Bodies

Sustainable financing is paramount in ensuring effective discharge of any function. The devolved functions can be carried out effectively by ULBs only when they are supported with sufficient financial resources. Predictable fiscal transfer to ULBs needs to be ensured through a robust mechanism *viz.*, compliance with the State and Central Finance Commission recommendations, timely release of funds based upon these recommendations and access to own sources of revenue, including the power to levy as well as effect collections, from specific revenue streams.

5.4.1 Sources of Funds in ULBs

The details of availability of funds with ULBs in the State, for the period from FY 2015-16 to FY 2019-20, is indicated in the Table below:

Table 5.1: Funds available with ULBs in the State for the period from FY 2015-16 to FY 2019-20

(₹in crore)

Year	Grant					Devolu tion of Funds 71	Assigned Revenue 72	Own Revenue			Total Funds	Percent of own revenue against Total Funds
	4 th SFC	14 th CFC	State Schemes	Central Schemes				Tax	Non- Tax	Total		
				State Share	Central Share							
2015-16	59.61	162.44	0.00	118.95	37.83	164.60	641.02	56.89	96.96	153.85	1,338.30	11.49
2016-17	80.48	299.52	0.00	14.37	41.56	164.60	704.00	82.89	122.50	205.39	1,509.92	13.60
2017-18	178.10	258.84	633.42	89.92	17.05	164.60	773.24	118.15	151.26	269.41	2384.58	11.30
2018-19	180.94	292.73	448.98	13.82	57.00	164.60	850.34	104.38	125.54	229.92	2238.33	10.27
2019-20	184.08	426.38	400.00	476.51	114.77	164.60	935.10	144.29	173.66	317.95	3019.39	10.53
Total	683.21	1,439.91	1,482.40	713.57	268.21	823.00	3,903.70	506.60	669.92	1176.52	10,490.52	11.22

(Source: Data furnished by H&UD Department)

⁷¹ Devolution of fund is the funds recommended by the State Finance Commission as a right of local bodies from State resources on certain agreed proportion and principles and to be used as per the own priority and decision of the local bodies.

⁷² Assigned Revenue is the revenue assigned by the State to the ULBs out of the Entry Tax collected by the State Government.

5.4.1.1 Fiscal Transfer to Urban Local Bodies

Funds were devolved to ULBs through transfer by the Central and State Governments in the form of grants. As can be seen from the above table, fiscal transfers from the Government comprised the major portion of the funds of ULBs (averaging 88.78 *per cent*) in the state, during the period from FY 2015-16 to FY 2019-20. Shortcomings under fiscal transfers are as discussed below:

(i) Low generation of own revenue

The consolidated year-wise figure of the total funds position in all ULBs was not furnished to Audit. However, data furnished by the H&UD Department revealed that the own revenue of the ULBs in the State was only ₹1,176.52 crore, as against the total funds availability of ₹10,490.52 crore. This constitutes only 11.22 *percent* of the total funds during FYs 2015-16 to 2019-20. Own revenue generation by ULBs varied from a meager 10.27 to 13.60 *percent* of the total funds available during the said period. This was mainly due to lack of adequate manpower for collection of taxes, lack of timely revision of taxes, laxity in assessment of tax revenue and inadequacies in the collection of non-tax fees as discussed in **Paragraphs 5.3.3.5 and 5.6.2.1**.

Further, in absence of an effective Central Property Valuation Board in the State, as per the recommendation of the 4th SFC, the revenue potential of the ULBs could not be increased by means of periodic revaluation of properties, which has been pending for a long time.

In reply, Government stated (May 2022) that for collection of own revenue H&UD Department is taking different actions such as (i) organising Municipal Premier League on collection of own revenue in competitive manner with commendation and award for best performing ULBs, (ii) allocation of certain percentage against the collected revenue to Jalasathi & other SHGs and (iii) establishment of a valuation organisation to assist all ULBs in the State to assess the property tax. However, fact remains that own revenue constituted a mere 11.22 *per cent* of the total funds during 2015-16 to 2019-20.

Recommendation:

- 7. ULBs need to assess and explore ways for generating own revenue for their self-sustenance.**

(ii) Response of the State Government to SFC recommendations

As per the Action Taken Report (ATN) on SFC recommendations, published by the Finance Department, GoO, recommendations and suggestions pertaining to institutional and structural strengthening, resource generation and legal hurdles, as well as general issues, were being examined by the State Government in detail. The respective Departments were to examine such recommendations and suggestions on merit and take appropriate follow-up action, within a stipulated time period, in consultation with a High Level Monitoring Committee. As such, the State Government may accept the recommendations of the SFC *in toto* or with certain modifications.

Audit observed, in this regard, that the State Government had accepted some of the recommendations with modifications, while action was yet to be initiated on other recommendations. The SFC-wise important recommendations and actions

taken by the State Government, in regard to transfer of funds, are given in **Appendix-5.12**.

In reply, Government stated (May 2022) that the State Government has accepted all the recommendations, which are practicable for implementation and act on the basis of suggestions made by the different State Finance Commissions from time to time. However, the fact remained that Government had accepted some of recommendations of SFC with modification and taken no action in respect of other recommendations.

(iii) State Finance Commission Grants - Short release of funds

As per the 74th CAA, the SFC has to be constituted by the State Government. SFC, in its report, recommends the quantum of funds to be released to the ULBs. Thereafter, the State Government is required to consider the recommendations for its acceptance and, upon acceptance, release grants to the ULBs. Grants released on the recommendations of SFC constitute one of the sources of finances of ULBs.

It was, however, noted that the State Government had not been releasing the SFC grants in full. Short release of funds, under SFC grants, is indicated in the Table below:

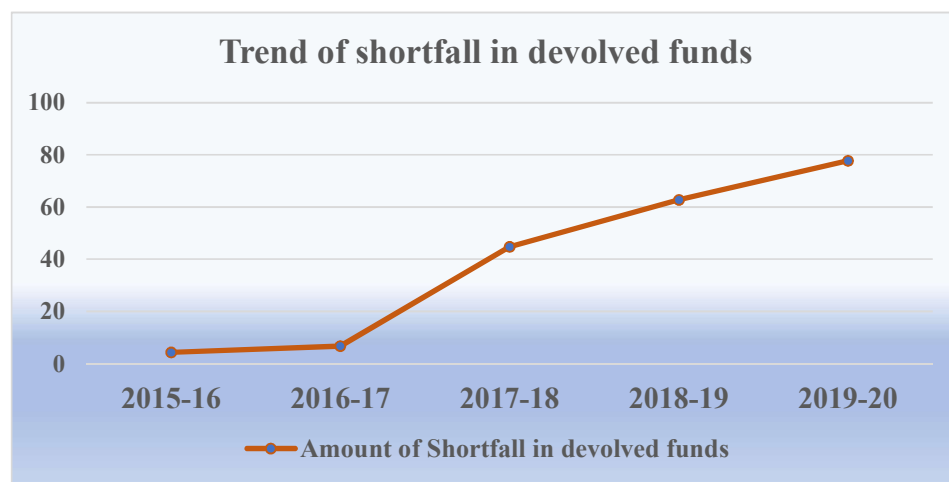
Table.5.2: Short release of funds by the State Government to ULBs under SFC grants
(₹in Crore)

Financial Year	Devolution of Funds, as per the recommendations of SFC				
	Total net tax revenue of the State	Devolution of funds recommended by SFC (0.75 per cent of net tax revenue of the State)	Amount of Funds disbursed to ULBs	Shortfall of funds devolved	Percentage of shortfall
2015-16	22,526.96	168.95	164.60	4.35	2.57
2016-17	22,852.39	171.39	164.60	6.79	8.63
2017-18	27,913.81	209.35	164.60	44.75	21.38
2018-19	30,318.33	227.39	164.60	62.79	27.61
2019-20	32,315.18	242.36	164.60	77.76	32.08
Total	1,35,926.67	1,019.44	823.00	196.44	19.27

(Source: Director of Municipal Administration & State Finance Commission Report)

Thus, during the period from FY 2015-16 to FY 2019-20, despite the recommendations of the SFC, the State Government released funds uniformly to ULBs, without assigning any reason. The short fall in devolution of funds to ULB by the State Government was in an increasing trend as shown in chart below:

Chart: 5.2 Short fall in devolution of funds to ULB by the State Government



In reply, Government stated that 4th SFC had recommended for transfer of fixed amount of ₹164.60 crore per annum. Accordingly, Government transferred the amount for the period of 2015-20.

The reply is not acceptable as the SFC had recommended devolution of fund to ULBs at the rate 0.75 *per cent* of net tax revenue of the State and the State Government had also accepted the recommendation.

(iv) Fourteenth Central Finance Commission- Short release of Performance Grants and Basic Grants

The 14th Central Finance Commission (CFC) had recommended Performance Grant of ₹354.51 crore to the ULBs in Odisha, subject to the following issues being addressed: (i) making available reliable data on the receipts and expenditure of local bodies, through audited accounts and (ii) improvement in generation of own revenue. In addition, ULBs were required to measure and publish service level benchmarks for basic services.

Table 5.3: Release of grants recommended by the 14th CFC

(₹in Crore)

Year	Grant Recommended		Grant Received		Grant Released to ULBs		Short receipt of Grants by ULBs	
	Basic	Performance	Basic	Performance	Basic	Performance	Basic	Performance
2015-16	170.10	Nil	162.44	Nil	162.44	Nil	7.66	Nil
2016-17	235.54	69.52	231.26	68.26	231.26	68.26	4.28	1.26
2017-18	272.14	78.67	258.84	Nil	258.84	Nil	13.30	78.67
2018-19	314.82	89.34	292.73	Nil	292.73	Nil	22.09	89.34
2019-20	425.39	116.98	425.39	Nil	426.38	Nil	Nil	116.98
Total	1,417.99	354.51	1,370.66	68.26	1,371.65	68.26	47.33	286.25

(Source: Director of Municipal Administration)

Against the recommendation for Performance Grant of ₹354.51 crore, during 2016-17 to 2019-20, the State received only ₹68.26 crore during the financial year 2016-17, resulting in short receipt of central grant of ₹ 286.25 crore. This was due to stagnant 'own revenue' generation and non-fulfillment of other conditions like holding of elections to the ULBs, furnishing of audited accounts

and achievement of service level benchmarks in water supply connections, solid waste management and sewerage connections.

In reply, Government stated (May 2022) that the claim of Performance Grant of ULBs had been submitted to GoI for release of grants. However, response in this regard had not been received yet. The reply is not acceptable as only few of the 114 ULBs were eligible for the Performance Grant.

Recommendation:

8. **Government may consider timely release of balance SFC grants and take necessary steps to obtain the Performance grants from the Central Government in order to augment the financial resources of ULBs, for meeting their expenditure.**

(v) Pending collection of holding tax

As per Section 131 of OMA, 1950, holding tax is a tax levied on the owner of a property (building) situated within the Municipality, assessed based on its annual value. Details of holding tax collections in regard to the test checked ULBs during FY 2015-16 to FY 2019-20, is given in the Table below:

Table 5.4: Demand and Collection of Holding tax

(₹ in Crore)

Year	Demand	Collection	Balance	Percentage of Collection
2015-16	84.95	42.35	42.60	49.86
2016-17	90.86	60.91	29.95	67.04
2017-18	102.21	87.23	14.98	85.34
2018-19	132.14	74.27	57.87	56.21
2019-20	143.99	111.11	32.88	77.17
Total	554.15	375.87	178.28	67.83

Source: Data from test-checked ULBs

It was noted that, as against the demand of ₹554.15 crore, an amount of ₹375.87 crore had been collected, leaving a balance of ₹178.28 crore, due to shortage of tax collectors during FYs 2015-16 to 2019-20. Collection of holding tax varied from 49.86 *per cent* to 85.34 *per cent* during the above period. The ULB-wise demand, collection and balance of holding tax is given in **Appendix-5.13**.

In reply, Government stated (May 2022) that for collection of municipal revenue H&UD Department is taking different actions such as (i) organising Municipal Premier League on collection of own revenue in competitive manner with commendation and award for best performing ULBs, (ii) allocation of certain percentage against the collected revenue to Jalasathi & other SHGs and (iii) unified revenue collection method on pilot basis in Puri municipality. However, the fact remained that the collection of Holding Tax was only 67.83 *per cent* of the demand during 2015-16 to 2019-20.

Recommendation:

9. **Government may issue instructions to ULBs for effective collection of Holding Tax.**

5.4.2 Estimation of requirement of funds / expenditure

In accordance with OMA and OMCA, each ULB is required to prepare its budget and present it to the Governing Council for approval. After approval by the Governing Council, ULBs are required to forward their budgets to the DMA and the State Government.

The 74th CAA did not make any provision for submission of the budget to the State Government/ DMA, by the ULBs. Contrary to the principles of decentralised governance, both the Acts (*i.e.* OMA and OMCA) specifically mention the role of the State Government in modifying/approving the budgets of the ULBs.

In test checked ULBs, it was seen that the Governing Councils of the ULBs had forwarded their budgets to the DMA and the State Government for scrutiny and final approval.

In reply, Government stated (May 2022) that ULBs are free in preparation of Annual Budget. The reply is not acceptable as Governing Councils of the ULBs had forwarded their budgets to State Government for scrutiny and final approval.

5.4.2.1 Unrealistic preparation of Budgets by ULBs

ULBs are expected to prepare their budgets, based on the expected allocation of funds by the State Government. Expenditure estimation depends on the services to be provided by the local government and the costs associated with the provision of these services.

In the 20 test-checked ULBs, there were significant gaps between the budget estimates prepared by the ULBs, the actual receipt of funds from the State Government and the corresponding expenditure as detailed in **Appendix-5.14**. It was further observed that huge closing balances of previous years were available with the ULBs. The actual receipts to budget estimates varied from 1.59 to 266.59 *per cent* and the actual expenditure to the budget estimates varied from 0.45 *percent* to 230.50 *percent*. As there were wide variations between the budget estimates and the actual figures of receipts and expenditure, it is evident that the budget estimates for municipal services during the financial years 2015-16 to 2019-20, had not been prepared on a realistic basis.

In reply, Government stated (May 2022) that it is not intervening in the detailed preparation of annual budget of the ULBs.

Recommendation:

- 10. Since receipt of grants from Government still constitute the major chunk of revenue of the ULBs, the Department may make it more predictable, to enable ULBs to streamline their budgeting process.**

5.4.2.2 Blockage of accumulated funds

Details of revenue, grants received and expenditure incurred thereof, by 20 test-checked ULBs, during the period FY 2015-16 to FY 2019-20, are given in the table below (data for all ULBs was not furnished by DMA).

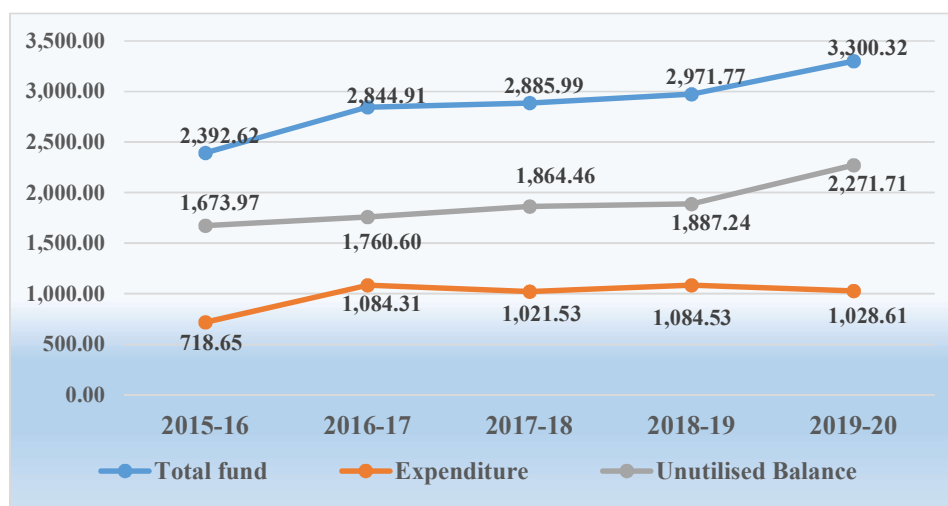
Table 5.5: Receipts and expenditure incurred by the test-checked ULBs

Year	OB	Receipt	Total funds	Expenditure	Balance	Percentage of expenditure to total funds
2015-16	1,585.16	807.46	2,392.62	718.65	1,673.97	30.04
2016-17	1,673.97	1,170.94	2,844.91	1,084.31	1,760.60	38.11
2017-18	1,760.60	1,125.39	2,885.99	1,021.53	1,864.46	35.40
2018-19	1,864.46	1,107.31	2,971.77	1,084.53	1,887.24	36.49
2019-20	1,887.24	1,413.08	3,300.32	1,028.61	2,271.71	31.17
Total		5,624.18		4,937.63		

(Source: Compiled by Audit, from the data collected from the records of test-checked ULBs)

As such, an amount of ₹2,271.71 crore remained **unutilised** as of March 2020, as detailed in **Appendix-5.15**. The trend of availability of funds, expenditure and unutilised balance in test checked ULBs has been shown in **Chart 5.3** below.

Chart:5.3 Trend of availability of funds, expenditure and unutilised balance in test checked ULBs

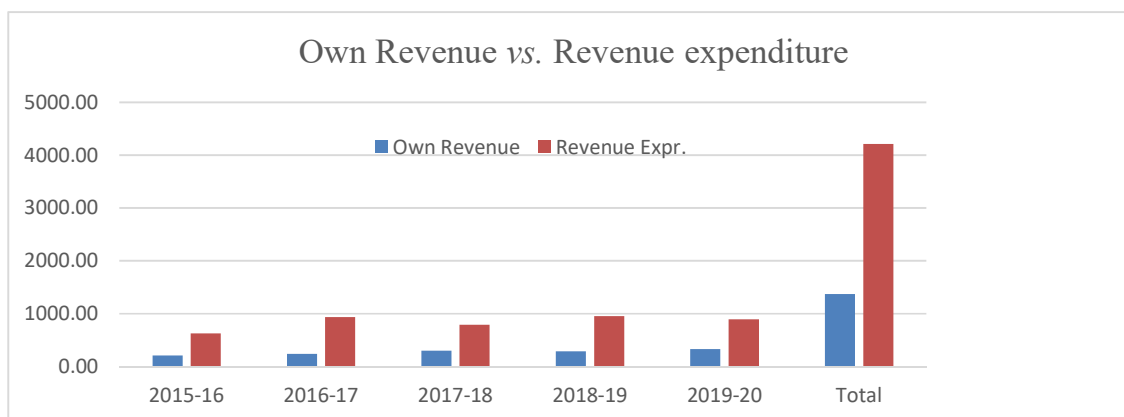


In reply, Government stated (May 2022) that through constant review the unutilised funds are being utilised and UCs have been submitted. The reply is not acceptable as Government had not furnished any documentary evidence in support of stated utilisation of funds.

5.4.2.3 Resource-expenditure gap

Eighteen ULBs were able to generate own revenue only to the extent of 35 *per cent* of the revenue expenditure during the period from FY 2015-16 to FY 2019-20 as detailed in **Appendix-5.16**. A comparison of the 'own revenue' of these ULBs, to their revenue expenditure, showed the presence of large gaps as depicted in Chart 5.4, which the ULBs need to address.

Chart 5.4: Own Revenue vis-a-vis Revenue Expenditure



It is evident from the above that the test-checked ULBs had failed to achieve fiscal autonomy during the above period.

In reply, Government stated (May 2022) it had taken many steps to increase the own revenue in a competitive manner. However, the fact remained that there were large gaps between own revenue and the revenue expenditure of the ULBs.

5.4.2.4. Analysis of financial data of Urban Local Bodies

The funds available and expenditure thereof in the test-checked ULBs, were analysed, to evaluate the extent of their fiscal autonomy. Details in this regard for the period from FY 2015-16 to 2019-20, are given in the Table below:

Table 5.6: Fiscal autonomy of ULBs

(₹ in crore)

Year	Total Funds available	Own revenue out of total funds	Total expenditure	Revenue expenditure out of total expenditure	Percentage of own revenue to total funds	Percentage of revenue expenditure to own revenue
OB	1585.16					
2015-16	807.46	115.84	757.60	592.96	14.35	511.88
2016-16	1170.94	147.02	1,164.5	841.81	12.56	572.58
2017-18	1125.39	226.3	1,130.1	710.10	20.11	313.78
2018-19	1107.31	175.11	1,194.6	834.20	15.81	476.39
2019-20	1413.08	224.48	1,109.8	830.23	15.89	369.85
Total	7209.34	888.75	5,356.70	3,809.30	12.33	428.61

(Source: Compiled by Audit from Data collected from test checked ULBs)

Table 5.6 reveals that:

- On an average, own revenue constituted only 12 *per cent* of the total revenue, in the test-checked ULBs, which indicated that the ULBs were not self-reliant as a form of local self-government.
- The test-checked ULBs were mainly dependent on fiscal transfers, which were 88 *per cent* on an average of the total funds available.
- Revenue expenditure, in comparison to own revenue, was in excess of 428.61 *per cent* on an average in the test-checked ULBs, as detailed in **Paragraph 5.4.2.3.**

Government did not furnish any reply to the Audit observation.

Part -V

This part deals with the role of parastatals and their impact on the functioning of ULBs. The existence of parastatals significantly eroded the autonomy of the ULBs in the implementation of functions, especially in regard to urban planning, slum improvement and water supply and sewerage.

5.5 Role of Parastatals

5.5.1 Parastatals and their functions and impact on Urban Local Bodies

Parastatals are institutions/organisations which are wholly or partially owned and managed by the Government (formed as autonomous bodies or through a specific legislation) and they⁷³ discharge some of the functions of ULBs such as urban/town planning, regulation of land use, water supply & sanitation and slum development. They are directly accountable to the State Government rather than ULBs. The Government has not amended these Acts to ensure that they are compliant with the 74th constitutional amendment, as also to make the parastatals accountable to ULBs. The system of assignment of functions that should be performed by ULBs, to parastatals, undermines the *raison d'être* of decentralisation. As such, the existence of parastatals significantly eroded the autonomy of the ULBs.

In reply, Government stated that due to non-availability of technical persons/resource persons in ULBs, the parastatal agencies are executing the technically complex projects of ULBs with approval of concerned Municipal Council. The reply is not acceptable as the parastatals undertaking functions of ULBs are controlled by Government and are directly accountable to the State Government rather than ULBs.

The role of parastatals and their impact on the devolved functions in the test checked ULBs are discussed in the subsequent paragraphs.

5.5.1.1 Directorate of Town Planning (DTP) & Urban Development Authorities- Urban Planning, Town Planning and regulation of land use

The DTP was established with the purpose of promoting planned physical development of urban areas and is the nodal agency for all urban planning related activities. With continuous exodus of rural population to urban areas, there is a need to ensure planned development of cities/ towns into liveable, economically vibrant and sustainable units. There are nine Development Authorities, 20 District TPAs, seven Regional Improvement Trusts (RITs) and 56 Special Planning Authorities (SPAs), in Odisha. The DTP is headed by the Director, Town Planning. Major duties and responsibilities of the DTP are:

- Planning of town development all over the state and advising the government on policy matters regarding town & country planning, legislation thereof.
- Regulating the planning of building construction and approving the blueprint of plan as per Town/Map/Master Plans.

⁷³ 1.DTP & UDA, 2. PHEO & WATCO, 3. OWSSB 4. OLHM

- Earmarking land use, as per the master plan, in urban areas, for housing, non-residential zone, government institutions and industrial areas/market areas.
- Matters relating to proper transport plans, planning for bus terminals, parking places etc.

Further, the State Government issued order (March 2010), wherein it was directed that all the Development Authorities of the State may delegate the functions of Urban Planning, including town planning and regulation of land use and construction of buildings, to the Urban Local Bodies concerned. However, Audit observed in the test-checked ULBs that:

- Master Planning/Development Plans/Zonal Plans/Enforcing Master Planning regulations, which are to be performed by the ULBs, were being performed by the Development Authorities and District TPAs, in all 20 test-checked ULBs.
- Matters pertaining to land use continued to be vested with the Development Authorities and District TPAs, in all the test-checked ULBs.
- As far as matters relating to building licenses/approvals of building plans/high rises, were concerned, out of 20 test-checked ULBs: (i) in three Municipal Corporations, the related activities were being undertaken by both ULBs and Development Authorities (ii) in four ULBs, these activities were carried out by the TPA (iii) in the other 13 ULBs, these activities were being dealt with by the ULBs themselves.
- Demolition of illegal buildings was being undertaken by only three ULBs, viz. BMC, CMC and BeMC. In all the other 17 ULBs, it was being done by the Development Authorities/TPAs.

This implied that the ULBs were deprived of the opportunity to carry out comprehensive planning/strategic urban planning for areas under their jurisdiction. Thus, the ULBs either had no role or had a limited role in discharging functions related to urban planning and regulation of land use. Despite issue of orders by the State Government, many activities under “Urban Planning including Town Planning & Regulation of Land use & Construction of Building” were not being carried out by all ULBs, as they had not been transferred by the concerned Urban Town Planning Authorities & Urban Development Authorities.

In reply, Government stated that based on the capability of the ULBs, functions of urban planning including town planning are being delegated to ULBs in phased manner. However, fact remained that the ULBs as self-government institutions were deprived of the opportunity to carry out comprehensive planning/strategic urban planning for areas under their jurisdiction.

5.5.1.2 PH Engineering and WATCO - Urban Water Supply

As per the 74th CAA, water supply for domestic, industrial and commercial purposes is one of the important functions to be discharged by ULBs. OMA and OMCA stipulate the provision of proper and sufficient water supply within the cities for public and private purposes by ULBs.

It was noticed that the PHEO (established in 1956) under the H&UD Department, was to plan, execute, operate and maintain the urban water supply systems of the State. In spite of devolution of the water supply function to ULBs, another organization, viz. WATCO, was established (July 2015) for carrying out the above activities. At present, water supply to eight ULB areas is provided by WATCO and water supply to 106 ULB areas is provided by PHEO. As such, both PHEO and WATCO are discharging the function of urban water supply in the State.

Check of records and information made available to Audit revealed the following:

- ***PH Engineering Organisation***

- i) ***Laxity in utilisation of funds for urban water supply***

Out of ₹345 crore, received under the 4th SFC grant, during FYs 2017-18 to 2019-20, for urban water supply, expenditure of ₹125 crore (36 *per cent*) was incurred. As such, the organisation failed to utilize the funds allocated for the purpose of water supply schemes in urban areas.

CE, PHEO, was provided with an amount of ₹1,790.83 crore, under the AMRUT Scheme, during FYs 2015-16 to 2019-20. CE, PHEO, incurred expenditure of ₹1,173.51 crore there against which constituted 66 *percent* only of the available funds.

In reply Government stated (May 2022) that the concerned PH Divisions have been intimated to submit the utilization certificate for the balance amount.

- (ii) ***Non-installation of water meters by PHEO***

PHEO has not taken any action for installation of water meters. It charges water tariff as fixed by the State Government. It also incurs expenditure on maintenance of water supply, in excess of the water charges collected from public. In the absence of water meters, a flat rate of water charge has been imposed, despite unrestrained use of water by the public.

In reply Government stated (May 2022) that installation of water meters for the households of ULBs have already been taken up by WATCO which is in progress.

- (iii) ***Non-imposition of penalties for illegal/unauthorized connections***

PHEO does not have any mechanism to identify illegal/unauthorised connections by the public and loss of water due to leakage *etc.* No penalty has been levied for illegal/unauthorized connections.

In reply, Government stated (May 2022) that PHEO has an inbuilt vigilant mechanism to keep strict vigil on illegal/unauthorized connections and take appropriate action. The reply is not acceptable as Government has not furnished any document for such mechanism or data on amount of penalty imposed for illegal/unauthorized connections.

- **WATCO**

- (i) **Non-completion of Projects**

WATCO took over the jurisdiction of CMC, Cuttack and Puri Municipality in March 2020, for water supply. In the CMC area, PHEO transferred (March 2020) 24 water supply projects to WATCO and WATCO undertook three water supply projects⁷⁴ on its own. Of these, 12 water supply projects were under progress with an expenditure of ₹228.28 crore and delays ranging from one to 38 months from the stipulated date of completion. The remaining 15 projects were completed with an expenditure of ₹148.25 crore (as of August 2021). The completed projects were yet to be commissioned, with delays ranging between four to 48 months from the stipulated date of completion (as of August 2021) due to delays in transfer of staff from PHEO to WATCO. This resulted in non-supply of water to public, despite the lapse of over a year since the date of taking over by WATCO.

In reply, Government stated (May 2022) that all 27 projects have since been completed and commissioned. The fact, however, remained that Government did not furnish any documentary evidence in support of completion and commissioning of the projects.

- (ii) **Parking of Water Charges in WATCO's bank account**

WATCO, a wholly owned company set up by GoO is required to collect water service charges on behalf of ULBs and these charges are to be remitted to the Government Treasury as Government revenue. However, an amount of ₹15.64 crore collected by WATCO towards water charges from June 2019 to March 2020 was not transferred either to the ULBs or to the Government Account, but instead, retained in WATCO's account, thereby affecting the State exchequer adversely.

As ULBs are neither providing water supply in their jurisdiction nor collecting water charges, it impacts adversely, insofar as increase of their 'own revenue' is concerned.

In reply, Government stated (May 2022) that WATCO was authorised by the H&UD Department to retain the water charges in its bank account to meet the expenses towards operation and maintenance of the drinking water supply. The reply is not acceptable as the Odisha Treasury Code stipulates that all money received on account of the revenue of the State without undue delay is to be paid in full into the treasury and shall be included in the Public Account of the State. Moneys received as aforesaid shall not be appropriated to meet departmental expenditure. Thus, the action of WATCO was in violation of Odisha Treasury Code.

⁷⁴ (i) Improvement of Water Supply to the residence of Hon'ble judges of Odisha High Court with some adjoining areas 24x7 with drink from tap quality at Cantonment Road.
(ii) Laying of water supply pipe line in uncovered areas of different wards (7 nos) of CMC under Store P.H. Section No.I, Cuttack.
(iii) Laying of water supply pipe line in uncovered areas of different wards (42, 43, 46(p), 47, 48, 49, 54 & 55) of CMC under Store P.H. Section No.II, Nayabazar, Cuttack.

5.5.1.3 Odisha Water Supply & Sewerage Board - Management of Sewerage in urban areas

As per OMA and OMCA, the obligatory duties of ULBs include that of making adequate provision for collection, removal, treatment and disposal of solid wastes and sewage. OWSSB under the H&UD Department was the agency assigned with responsibility for management of sewerage in urban areas in the State. However, Government set up (July 2015) another Company *i.e.* WATCO, to oversee operations relating to water supply, as well as sewerage treatment & disposal. As per Gazette Notification (July 2015), WATCO took over the functions of PHEO in three ULBs and was to take over any other ULB assigned by H&UD Department. At present, WATCO was undertaking only water supply in eight ULBs.

Check of records revealed the following relating to construction, and operation & maintenance of the sewerage system by OWSSB, during FYs 2015-16 to 2019-20.

- OWSSB had taken up six sewerage system projects (four in Bhubaneswar, one in Sambalpur and one in Rourkela), between January 2017 and February 2018 at an agreement cost of ₹1,258.41 crore, scheduled to be completed between January 2020 and November 2020. The projects had, however, not been completed, though four projects in Bhubaneswar were stated to have partially commissioned in December 2020, while the other two projects (at Sambalpur & Rourkela) were ongoing (as of March 2021).
- It was further noticed that, out of 860.96 km of Sewerage laying to be taken up, 514.92 km had been completed (60 *per cent*) and the remaining 346.04 km was yet to be completed. Out of 44 Sewerage Pumping Stations (SPSs), 41 were ongoing and three had not been taken up.
- Further, out of six Sewerage Treatment Plants (STPs), one STP had been commissioned in Bhubaneswar and the remaining five STPs were ongoing. Out of ₹881.88 crore received during FYs 2009-10 to 2019-20 for six sewerage system projects, an amount of ₹700.39 crore had been utilised. The projects and unspent balance were handed over (October/ December 2019) to WATCO for further work. As such, the sewerage system projects remained incomplete for more than two years despite involvement of two parastatal organisations.
- It was also observed that, ULBs had not taken up the activity of sewerage treatment and had also not undertaken collection of sewerage cess, resulting in lack of generation of 'own revenue'.

In reply, Government stated (May 2022) that out of the six sewerage systems one at Bhubaneswar has been completed and fully functional. Other sewerage systems would be completed by September 2022. However, Government may ensure timely completion of the remaining sewerage systems.

Recommendation:

- 11. Government may ensure stringent implementation of timeframes for execution of work.***

5.5.1.4 Odisha Liveable Habitat Mission (OLHM)- “JAGA”

As per OMA and OMCA, ULBs have to perform the function of slum improvement and up gradation. Under the Odisha Land Right to Slum Dwellers Act, 2017, land rights are to be provided to identified slum dwellers. However, it was noticed that OLHM – “JAGA”, a society which aims to transform slums into liveable habitats in all ULB areas, had been formed (May 2018) by H&UD Department and registered under the Societies Act, 1860. The Governing Body of the Society comprises of Chief Secretary as Chairman and Development Commissioner cum Additional Chief Secretary/ Principal Secretary/ Secretary/ DMA of other Departments as nine members. The mission also aims at leveraging and converging various schemes/ programmes/ funding opportunities by strengthening collaboration among various departments/ urban bodies/ non-government organisations/ financial institutions/international agencies/trusts/communities and stakeholders. In addition, it also provides advisory support to GoO to examine options for policy reforms required for sustainable transformation of the lives of urban poor.

As revealed from the Standard Operating Procedure for Slum Up-gradation and Delisting which came into force from September 2020, the JAGA mission had: (i) completed the survey and mapping of 1,725 slums (ii) conducted door-to-door surveys for 1,68,141 households (iii) facilitated issue of Land Rights Certificate *in-situ* by Government for 60,000 families and (iv) provided support to 20,000 slum households for housing under the Pradhan Mantri Awas Yojana. Thus, the society is acting as an agency for improvement of slums in the state.

However, in the ULBs, no specific officers were engaged for slum improvements, although construction of roads and houses (Rajiv Awas Yojana) for slum dwellers was being carried out by their Engineering wings. For the purpose of liaising with the OLHM, for slum upgradation and delisting one Ward Officer had been designated as the Nodal Officer, in each ULB, to liaison with the OLHM.

From the above it is evident that instead of strengthening the ULBs, by providing them funds and functionaries, the GoO had instead created another agency for slum improvement in deviation from the objective of decentralised governance.

In reply, Government stated (May 2022) that JAGA mission is constituted to provide handholding support to ULBs for discharging their function and provide liveable habitat to the slum dwellers in a mission mode. However, the fact remained that instead of strengthening the ULBs, Government had created another agency for slum improvement.

Recommendation:

- 12. *Government may take action to ensure that ULBs enjoy an adequate degree of autonomy in regard to the functions assigned to them, without the intervention of other agencies/parastatals, in order to achieve effective decentralisation.***

Part-VI

This part discusses issues relating to Human Resource management in ULBs. The State Government vested with itself the powers to regulate the classification, method of recruitment, conditions of service and pay and allowances of ULB staff, as also to initiate disciplinary action on them and to transfer them across ULBs or to other Government Departments.

The sanctioned strength decreased, despite increase in population over a decade, in all the test-checked ULBs.

Large vacancies existed across all cadres, specifically in crucial technical posts, affecting delivery of services.

5.6 Human Resources Management and Capacity Building of Urban Local Bodies

5.6.1 Limited control over manpower

Adequate and qualified manpower is essential for the empowerment of ULBs. The assessment of manpower requirements can best be done by ULBs themselves, considering various criteria, such as the extent of geographical area to be covered, population/nature of population, number and type of properties existing *etc.*

However, in terms of the Odisha Municipal Administrative Service (OMAS) Rules, 2016, ULBs had no powers to assess the requirement, recruitment and transfer of staff. Powers for assessing the requirement of staff in different categories of ULBs, as well as the recruitment and transfer of staff in the ULBs, are vested with the State Government. The State Government did not, however, consider the manpower assessment of ULBs realistically, leading to huge shortfalls, as detailed in **Paragraph 5.6.2.1.**

In reply, Government stated (May 2022) that it has established dedicated Municipal Service Cadre and recruitment is being done centrally.

5.6.1.1 Recruitment of staff

In accordance with the Acts governing ULBs, the State Government regulates the classification, method of recruitment, conditions of service, pay and allowances, as well as the discipline and conduct of staff and officers of ULBs. The OMAS Rules, 2016, list out the Appointing Authorities for various categories of posts, as indicated in the Table below:

Table 5.7: Statement showing the appointing authorities for recruitment

Category of Post	Appointing Authority
Group A	State Government
Groups B and C	Director of Municipal Administration (DMA)
Group D	Deputy Commissioner in Corporation and Executive Officer in Municipality and NAC

5.6.1.2 Control over staff

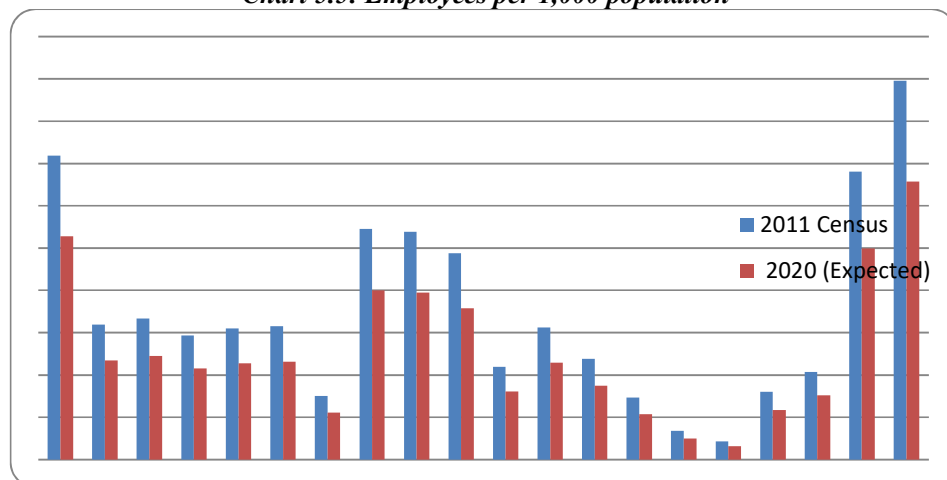
The powers to promote officials, initiate disciplinary action, impose penalties *etc.*, in respect of the officials of ULBs, other than on deputation have also not been delegated to ULBs and are vested with the State Government.

In reply, Government stated (May 2022) that the appointing authority is the disciplinary authority of the staff. The reply of Government confirms that the ULBs had limited control over the staffs because as per Odisha Municipal Manual, the Director, Municipal Administration is the appointing authority for all categories of posts under Odisha Municipal Services.

5.6.1.3 Civic Staff not commensurate with the population of ULBs

As per the 2011 Census, the urban population of Odisha was 0.70 crore. It was projected to grow to 0.95 crore as of 2020. Analysis of data pertaining to human resources in the 20 test-checked ULBs showed that the sanctioned strength in the ULBs was not commensurate with the population. The number of employees per 1,000 population (as per Census 2011 data) in the test-checked ULBs, ranged between 0.22 and 3.59. However, this has declined to range between 0.16 and 2.64 as per the projected population of 2020, as indicated in the Chart below:

Chart 5.5: Employees per 1,000 population



(Data as per census 2011 compared with data derived by Audit for 2020 in 20 test checked ULBs)

OMAS Rules, 2016, were deficient since they failed to specify the function-wise requirement of staff in the ULBs of the States. Audit also noticed insufficiency of staff in the test checked ULBs as discussed in subsequent paragraph.

In reply, Government stated (May 2022) that due to usage of ICT in municipal governance and outsourcing of staff for sanitation, the strength of employee for the ULB has been decided on the basis of category of ULB from Category I to VIII as per OMAS Act, 2015. The reply is not acceptable as Government has not furnished any documentary evidence in support of categorising the ULBs and fixing of sanctioned posts and men in position of each category.

5.6.2 Sufficiency and functioning of Staff

5.6.2.1 Insufficient staff in urban local bodies

Scrutiny of the staff position of ULBs, in the test-checked ULBs, revealed that, as against the sanctioned strength of staff of 5,617, the actual MIP was 3,466, leaving a vacancy of 2,151 staff in various categories viz., Municipal Engineer, Medical Officer, Junior Engineer, Sr/Jr. Asst, Tax Collector *etc.*, constituting 38 *per cent* of the sanctioned strength. The percentage of vacancies in the test-checked ULBs ranged from 15 *per cent* in the Rayagada Municipality to 72 *per cent* in the Puri Municipality, as detailed in *Appendix-5.17*. As per the Odisha Municipal Services Act, 2015, the number of posts is prescribed for each category of ULB and the categories of ULBs are based on the population. Hence, when population increases, the posts should also be increased, as per the revised status of the municipal body. However, although the population was increasing, the sanctioned strength and MIP for catering to the needs of ULBs, were not commensurate with the population. The sanctioned strength per thousand population in 2011 and 2020, in the 20 test-checked ULBs, were a meagre 1.68 and 1.24 respectively. The impact of shortfall in staff strength is discussed in *Paragraphs 5.3.3.8(i)* and *5.6.2.2*.

Accepting the Audit observation, Government stated (May 2022) that steps are being taken to rationalise the existing sanctioned strength of ULBs and for filling up all the vacant posts in phased manner.

5.6.2.2 Filling up of posts in ULBs on the basis of Deputation/ Contract/ Foreign Service etc.

The OMAS Act, 2015 and OMAS Rules, 2016, regulate the method of recruitment and conditions of services of persons appointed to the Odisha Municipal Administrative Services.

Audit noticed that a number of posts in the ULBs were filled up through deputation, especially in the Group A and Group C cadres, impacting the effective functioning of the ULBs. Due to filling of posts through deputation, there was a scarcity of regular staff in the ULBs. Further, the deputed staffs were discharging their functions in the ULBs, in addition to their duties in their parent departments. This affected the accountability of such personnel, as ULBs had no direct administrative control over them.

Instances of filling of posts in ULBs, on the basis of deputation/foreign service/contract/deployment from other departments of GoO are given below:

- There was no cadre post of Health Officer in any of the test-checked ULBs. The Health Officers posted were borne in the cadre of the Health & Family Welfare Department. Moreover, no Health Officer was posted in the test-checked NACs.
- Environment Officers had been posted on deputation basis in BMC.
- An Assistant Executive Engineer had been posted in the Jajpur Municipality on deputation (Foreign Service) basis, while an Assistant Engineer had been posted, with additional charge in the Vyasanagar Municipality from DRDA, Jajpur.

- A Junior Engineer (JE) had been posted as part-time JE in the Vyasagar Municipality by Collector, Jajpur, from the Kalinga Nagar Development Authority (KNDA), Vyasagar.
- An Executive Engineer had been posted in RMC, on deputation basis, from the Works Department, GoO.
- A Junior Engineer and an Assistant Engineer had been posted in RMC, on deputation basis from the Water Resources Department.
- A Sanitary Expert had been posted on deputation basis, in the Vyasagar Municipality and four Sanitary Experts had been posted in the Rayagada Municipality on deputation basis from Department of Health & Family Welfare, GoO.
- An Accountant and two Community Organisers had been posted in the Vyasagar Municipality on contractual basis. One post for MIS had also been filled up on contractual basis in the Municipality.

Accepting the Audit observation, Government stated (May 2022) that due to shortage of quality human resources in Municipal Cadre, officers from other services being deployed on deputation basis. This practice would be ceased after full-fledged recruitment of the officers of Municipal Cadre starts, which may take time.

Recommendation:

- 13. Government may arrive at a desired sanctioned strength of ULB officials, based on population nature of population geographical area etc. and take appropriate steps for filling up the vacant posts.**

5.6.3 Capacity Building

Capacity building of the personnel and elected representatives of ULBs is important for efficient and effective delivery of services. The State Urban Development Agency (SUDA) was entrusted (December 1990) as the Resource Training Institution for the entire capacity building programme for ULBs. SUDA has since been carrying out training activities for municipal employees and elected representatives. The year-wise arrangement of training slots by SUDA, during FYs 2015-16 to 2019-20 is as below.

Table 5.8: Trainings conducted during 2015-20

(₹ in lakh)

Year	No of slots	Participants nominated	Participants attended	Expenditure
2015-16	24	1,551	Not provided	69.70
2016-17	47	3,027		46.63
2017-18	21	1,797		25.85
2018-19	34	3,887		59.98
2019-20	19	1,866		16.65
Total	145	12,128		218.81

(Source: Information furnished by SUDA)

Out of the total 145 slots, 39 slots with 2,659 participants were either review meetings or meetings held in SUDA and hence, were not training oriented. Poor utilisation of training facilities implied that the personnel and elected representatives of the ULBs were unable to acquire skills which were essential

for enhanced service delivery/more efficient discharge of their functions and the effectiveness of the ULBs was likely to have been impacted to that extent.

Government furnished no specific reply on poor utilization of training facilities.

5.6.3.1 Absence of evaluation

Training is a continuous process and needs to be continuously reviewed through evaluation. Evaluation is necessary to ascertain whether or not the desired expectations were met as to revise and redefine the course curriculum to make it more effective. Audit observed that there was no mechanism (including evaluation of the training by obtaining feedback from the trainees) in existence for evaluating the impact of the training imparted to the staff of ULBs.

Thus, while the existing vacancies in some ULBs were up to 72 percent of their sanctioned strength, the ULBs had not been vested with powers to exercise adequate control over their human resources. This had an adverse effect, insofar as the effective discharge of their mandated functions was concerned, directly hampering the collection of 'own revenue', utilisation of devolved funds and carrying out functions (to the extent they were devolved), as discussed in the preceding paragraphs.

Government stated (May 2022) that process was going on to recruit and fill up all the vacant posts of urban cadre. As regards to impact of the training imparted to the staff of ULBs, Government furnished no specific reply.

CHAPTER 6

Compliance Audit of the ULBs

CHAPTER 6

Compliance Audit of ULBs, including District Centric Audit

6.1 Introduction**6.1.1 Intent of District Centric Audit**

Parliament enacted (December 1992) the 73rd and 74th Constitutional Amendments, strengthening self-governance for rural and urban local bodies, through the addition of two new parts to the Constitution, i.e. Part IX, titled “The Panchayats” (in the 73rd Amendment) and Part IXA, titled “The Municipalities” (in the 74th Amendment).

District Centric Audit (DCA), covering audits of both Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs), was subsequently taken up, during December 2021, with a view to: (i) assessing the growth of individual districts, based on decentralised governance and (ii) enhancing good governance, through strengthening of the audit of local bodies.

6.1.2 Audit Scope and methodology

The findings of District Centric Audit, along with audit findings of the compliance audit of nine⁷⁵ ULBs, conducted during FY 2020-21, have been incorporated in this Chapter. Under the DCA, the relevant records pertaining to delivery of services and financial management of three ULBs each, of the Cuttack⁷⁶ and Sambalpur⁷⁷ districts, were examined. In addition, two Centrally Sponsored Schemes, i.e. the Swachh Bharat Mission (Urban) and the Pradhan Mantri Awas Yojana (Urban), were also covered in DCA, with reference to the relevant Acts/Regulations or other established standards/criteria.

6.2 Financial Management in ULBs

Across all six test-checked ULBs of the Cuttack and Sambalpur districts, the Accounts module of the e-Municipality software⁷⁸, was being used to record financial transactions of ULBs, under the double entry accounting system, since FY2012-13. The module *inter-alia* helps to generate reports relating to the Annual Accounts of the ULBs, on accrual basis. Details of the sources of revenue, grants and loans of the selected ULBs of both districts, are as under:

⁷⁵ Municipal Corporation: Bhubaneswar, Cuttack and Sambalpur

Municipality: Biramitrapur, Jatni, Rairangpur, Sonapur, Sundargarh and Talcher

⁷⁶ Cuttack Municipal Corporation, Choudwar Municipality and Athagarh Notified Area Council (NAC)

⁷⁷ Sambalpur Municipal Corporation, Kuchinda NAC and Rairakhol NAC

⁷⁸ ‘e-Municipality’, a Government of Odisha project, is a multipurpose state-wide IT application, which aims to centralise all ULBs in the State, under a single window. It has 11 modules (citizen service, revenue collection, Management Information System, etc.) and has been operational since FY 2012-13.

6.2.1 Sources of revenue

Table 6.1: Sources of revenue of the test-checked ULBs of the Sambalpur and Cuttack Districts

(₹ in crore)

District	Financial Year	Tax Revenue (Holding tax & Profession Tax)	Non-Tax revenue	Assigned revenue	Other receipts	Total revenue
Sambalpur	2018-19	4.17	1.10	32.28	2.64	40.19
Cuttack	2018-19	16.65	5.68	62.78	10.22	95.33
Total		20.82	6.78	95.06	12.86	135.52
Sambalpur	2019-20	5.47	1.45	36.61	2.56	46.09
Cuttack	2019-20	43.03	4.40	68.14	11.60	127.17
Total		48.50	5.85	104.75	14.16	173.26
Sambalpur	2020-21	8.58	1.32	41.99	3.62	55.51
Cuttack	2020-21	23.26	4.20	58.82	12.19	98.47
Total		31.84	5.52	100.81	15.81	153.98
Grand Total		101.16	18.15	300.62	42.83	462.76

(Source: information furnished by the test-checked ULBs)

As may be seen from **Table 6.1**, the overall revenue of both districts had gradually increased, year-on-year (except for a decline during FY 2020-21, in case of Cuttack district). However, collections of non-tax revenue declined year-on-year, which was largely attributable to laxity in monitoring of collections.

Table 6.2: Revenue and Capital grants of the test-checked ULBs of the Sambalpur and Cuttack Districts

(₹ in crore)

District	Financial Year	Revenue Grant			Capital Grant					Total
		State Finance Commission	Schemes	Total Revenue Grant	Central Finance Commission	Other Capital Receipts	Loans & Debts	Ways and Means advances ⁷⁹	Total Capital Grants	
Sambalpur	2018-19	11.49	28.41	39.90	30.52	7.34	5.53	0.00	43.39	83.29
Cuttack	2018-19	20.86	88.20	109.06	31.42	3.05	0.32	0.00	34.79	143.85
Total		32.35	116.61	148.96	61.94	10.39	5.85	0.00	78.18	227.14
Sambalpur	2019-20	11.22	36.04	47.26	53.18	6.73	7.19	-0.05	67.05	114.31
Cuttack	2019-20	21.24	112.21	133.45	42.68	29.37	0.33	0.00	72.38	205.83
Total		32.46	148.25	180.71	95.86	36.10	7.52	-0.05	139.43	320.14
Sambalpur	2020-21	21.62	48.93	70.55	54.48	7.98	14.00	0.01	76.47	147.02
Cuttack	2020-21	44.97	179.03	224.00	112.07	11.80	0.45	0.00	124.32	348.32
Total		66.59	227.96	294.55	166.55	19.78	14.45	0.01	200.79	495.34
Grand Total		131.40	492.82	624.22	324.35	66.27	27.82	-0.04	418.40	1,042.62

(Source: Budgets of the test-checked ULBs)

Thus, as of March 2021, the test-checked ULBs had raised loans, amounting to ₹27.82 crore, for delivery of services/creation of assets, during the last three financial years, despite the availability of funds amounting to ₹886.74 crore (as per the actual closing balances of the ULBs, as on March 2021).

⁷⁹ The liability to be paid towards TDS, Cess and Royalty, recovered from contractors

6.2.2 Details of expenditure

Table 6.3: Expenditure of the test-checked ULBs, during FYs 2018-19 to 2020-21
(₹ in crore)

Expenditure of the test-checked ULBs of Sambalpur and Cuttack Districts								
Name of ULB	Financial Year	Establishment and Salaries	Operations and Maintenance	Interest on Loan repayment	Others	Total expenditure (other than capital expenditure and loan repayments) (3+4+5+6)	Capital Expenditure and loan repayments	Total Expenditure (7+8)
1	2	3	4	5	6	7	8	9
Sambalpur	2018-19	31.88	37.32	0.17	0.73	70.10	56.55	126.65
Cuttack	2018-19	86.45	7.07	4.46	1.28	99.26	123.26	222.52
Total		118.33	44.39	4.63	2.01	169.36	179.81	349.17
Sambalpur	2019-20	48.98	37.66	0.58	0.61	87.83	56.58	144.41
Cuttack	2019-20	102.59	7.32	4.53	1.67	116.11	112.34	228.45
Total		151.57	44.98	5.11	2.28	203.94	168.92	372.86
Sambalpur	2020-21	72.01	57.03	1.50	0.47	131.01	72.17	203.18
Cuttack	2020-21	107.36	10.37	5.11	11.98	134.82	146.38	281.20
Total		179.37	67.40	6.61	12.45	265.83	218.55	484.38
Grand Total		449.27	156.77	16.35	16.74	639.13	567.28	1,206.41

(Source: Budgets of the test-checked ULBs)

It is evident from Tables 6.1 and 6.3 that expenditure on establishment and salaries (₹449.27 crore) constituted 97 per cent of the total revenue (i.e. ₹462.76 crore).

6.3 Absence of financial control mechanism in test-checked ULBs

Review of the cashbooks and related records of the test-checked ULBs revealed the following:

6.3.1 Parking of funds in inoperative accounts

Test-check of the bank pass books of the Sambalpur Municipal Corporation (SMC) revealed that, as of November 2021, an amount of ₹8.12 crore had been lying unutilised since FY 2011-12, in the bank accounts of different schemes, although the concerned schemes had already been closed since March 2017. For instance, the 'Integrated Housing and Slum Development Programme' (IHSDP) had a significant amount of ₹8.01 crore in the Bank of India, despite the scheme having been closed on 31 March 2017. Other schemes, such as the Rajiv Awaas Yojana (RAY, closed in May 2015) had an amount of ₹ 11 lakh in the ICICI bank. SMC had not taken any initiative to refund the unutilised amount to the department, contrary to the scheme guidelines/instructions⁸⁰. Similarly, in the test-checked ULBs of Cuttack, ₹ 39 lakh had remained parked in bank accounts, since FY 2018-19. In CMC, amounts, pertaining to the IHSDP scheme, MPLAD, own fund, roads and bridges, tourism and Bali Yatra, etc., were found parked in bank accounts. Reasons for keeping such funds, in inoperative bank accounts, were not

⁸⁰ As per L. No. 15011 dated 11.04.2017 of the Ministry of Housing and Urban Poverty Alleviation, National Building Organisation, GoI, unspent funds, under the IHSDP scheme, were to be refunded.

explained to Audit. The scope of utilisation of these funds was very remote, as the schemes had already been closed. As such, the possibility of diversion/misuse of funds, lying in these inoperative accounts, could not be ruled out.

6.3.2 Property tax/holding tax

6.3.2.1 Non-realisation of holding tax of ₹ 24.91 crore from households

Article 243X of the Constitution of India enables State Legislatures to: (a) authorise a Municipality to levy, collect and appropriate various taxes, duties, tolls and fees, in accordance with prescribed procedures and subject to prescribed limits (b) assign to a Municipality, various taxes, duties, tolls and fees, levied and collected by the State Government, for specified purposes and subject to specified conditions and limits.

Further, Section 192 of the Odisha Municipal Corporation (OMC) Act, 2003, provides that the Corporation shall have the power to levy property tax⁸¹ on land and buildings. Records of 155 wards, in the test-checked ULBs of the Cuttack and Sambalpur districts, relating to Demand, Collection and Balance (DCB) for FYs 2018-19 to 2020-21 were checked in regard to Holding tax⁸². It was revealed that against the total demand of ₹ 139.79 crore, the concerned Corporations had recovered only ₹ 89.21 crore, leaving an outstanding balance of ₹ 24.91 crore for recovery, as of March 2021(after allowing rebate of ₹25.67 crore). District-wise details of outstanding holding tax are given in **Table 6.4**.

Table 6.4: Outstanding balance of holding tax, in the test-checked ULBs, for FYs 2018-19 to 2020-21

(₹ in crore)						
District	No. of wards	No of Households	Demand	Collection	Rebate allowed	Balance
Cuttack	90	1,48,614	115.67	76.49	17.04	22.14
Sambalpur	65	85,459	24.12	12.72	8.63	2.77
Total	155	2,34,073	139.79	89.21	25.67	24.91

(Source: Information furnished by the test-checked ULBs)

There were 2,34,073 households (HHs) assessable to tax, under the jurisdiction of the test-checked ULBs. However, the number of HHs assessed/re-assessed in each financial year was not disclosed to Audit.

6.3.2.2 Non-realisation of Holding Tax from Industrial units and Government institutions

As per Section 133 of the OMA, 1950, property tax, determined on the annual value of any land or building in the Municipal area, including any land or building belonging to the State Government, or the Municipality or any undertaking or public sector corporation under the control of the State Government or the Municipality, shall be levied by Municipality.

⁸¹ Property tax is determined on the annual value of any land or building in a Municipal area. No property tax is, however, levied in Municipal areas in Odisha and only holding tax is levied.

⁸² Tax on holding within a Municipality is assessed on the annual value of the building.

Records of the test-checked ULBs of the Cuttack and Sambalpur districts showed that a significant amount of holding tax, amounting to ₹14.72 crore⁸³, had remained unrealised, from various industrial units and Government institutions, during FYs 2018-19 to 2020-21, as mentioned below.

- Records of the Cuttack Municipal Corporation (CMC) showed that, as of March 2021, demands for holding tax of ₹ 8.97 crore had been issued to Government institutions. No holding tax had, however, been realised from these institutions, since FY 1980-81. Audit observed that the major reason for non-realisation of holding tax of ₹ 6.59 crore from six⁸⁴ such major institutions, was non-pursuance by the CMC authorities, by means of issuing reminders and demand notices.
- Records of the Choudwar Municipality showed that various industrial units and Government establishments had not been paying holding tax since FY 2015-16, following revision of the rates of holding tax. These institutions had filed cases against revision of the rates of holding tax, in various courts of law, as mentioned below.
 - a) The case of M/s Orissa Textile Mill was pending with the Liquidator, in the Hon'ble Odisha High Court.
 - b) The case of Vice President, Indian Metal and Ferro Alloys (IMFA), had been pending in the Court of Collector and District Magistrate (DM), Cuttack, since July 2018. As per direction (July 2018) of the Court of the Collector and DM, Cuttack, the IMFA had to deposit 50 *per cent* of the holding tax demand, for hearing of the case. However, the IMFA did not turn up and the hearing was still pending.
 - c) M/s Ballarpur Industries had filed (2016) a case in the Hon'ble High Court, for stay on holding tax collection. The case had been dismissed on 19 December 2018, with the direction that payment of all kinds of tax levied by the concerned ULB, may be deposited. Laxity of the Executive Officer (EO), in not complying with the direction of the Hon'ble High Court, had rendered the demand of holding tax of ₹13.41 lakh outstanding (as of March 2021).
 - d) M/s Libra Export Ltd. & AI Champadany Industry Limited, represented that they had suspended their activities prior to the imposition of the revised rates of holding tax. A team, comprising of the Assistant Collector, EO and Municipal Engineer, had visited the spot, to assess the situation. The team had reported (February 2020) that the activities of these units had been closed prior to the revision of rates. As of February 2022, however, no decision had been taken, in regard to remission or otherwise of the holding tax imposed on these units.

⁸³ In 2020-21, the holding tax outstanding from Government institution/ industries was: (i) CMC = ₹8.97 crore (ii) SMC= ₹19 lakh (iii) Kuchinda = ₹6 lakh (iv) Choudwar = ₹3.98 crore (v) Athagarh = ₹1.52 crore

⁸⁴ (i) Ravenshaw University (ii) JKBK Govt, College (iii) Ravenshaw Girls High School (iv) Institute of Management and Information Technology (v) Director, Water Land Management Institute, Cuttack and (vi) CDA, Cuttack

The above instances indicate that, in a number of cases, ULBs had not taken adequate steps for realisation of outstanding amounts of holding tax.

6.3.3 *Short-realisation of revenue on Trade Licenses*

As per Section 123 of the OMC Act 2003, the Recovery Officer⁸⁵ shall be responsible for recovery of Corporation dues, such as tax, penalty and other dues, from persons/institutions liable to pay such dues in accordance with the provisions of the Act and the Rules made there under. The CMC and SMC were collecting fee on trade licenses, as a source of income.

Scrutiny of the DCB registers of both Municipal Corporations, pertaining to trade license fees, for FY 2020-21, showed that these registers had not been properly maintained. Records relating to year-wise assessments and collection of trade license fees had also not been maintained. Further, no financial year-wise targets were being fixed for collection of trade licence fees. Due to improper maintenance of financial year-wise DCB registers, Audit could not ensure the veracity of demand and collection, for the financial years 2018-19 to 2020-21.

Scrutiny of files relating to trade licenses and information furnished to Audit showed that both Municipal Corporations had issued 7,151 trade licenses, up to March 2021. However, they had collected only ₹ 1.21 crore as trade license fees, against the total demand of ₹ 3.34 crore, with license fee of ₹ 2.13 crore remaining outstanding as of March 2021.

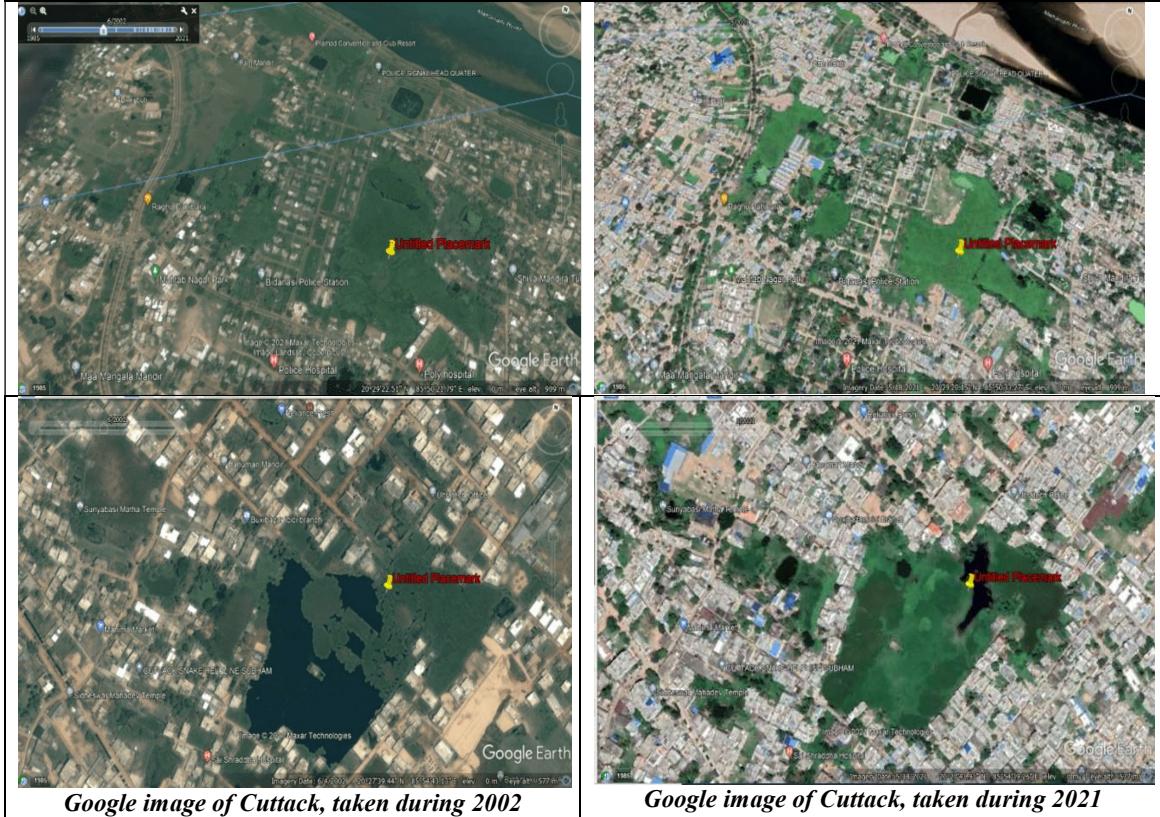
Audit also noted that, although mobile tax squads were functioning under the Recovery Officers, in both the ULBs, for collection of tax and rent, no concrete action, such as issuing demand notices and sealing the business premises, had been taken, to gear up the collection and only 36.22 *per cent* of the total demand had been collected. Thus, insufficient action by the Recovery Officers, as well as poor monitoring and supervision by the ULBs, had led to non-realisation of revenue, amounting to ₹ 2.13 crore (as of March 2021)

6.4 *Delivery of Services*

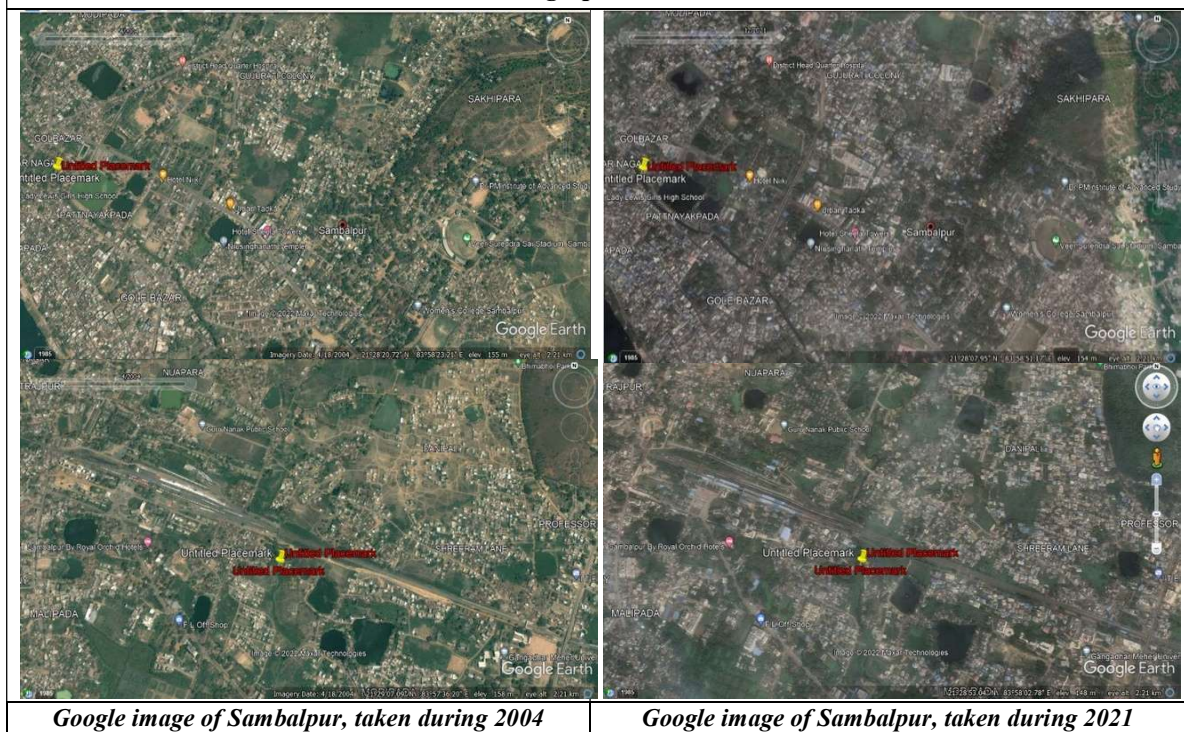
Google images of Cuttack and Sambalpur, taken during 2002/2004 and 2021, shown below, indicate the congestion that has taken place in these two cities, over the decade.

⁸⁵ The 'Recovery Officer' is responsible for recovery of all dues, such as tax, penalty and other dues of the Corporation, from the persons/institutions liable to pay the same.

Photograph No.- 6.1



Photograph No.- 6.2



Audit reviewed the services delivered to the citizens of the six⁸⁶ test-checked ULBs and found the following:

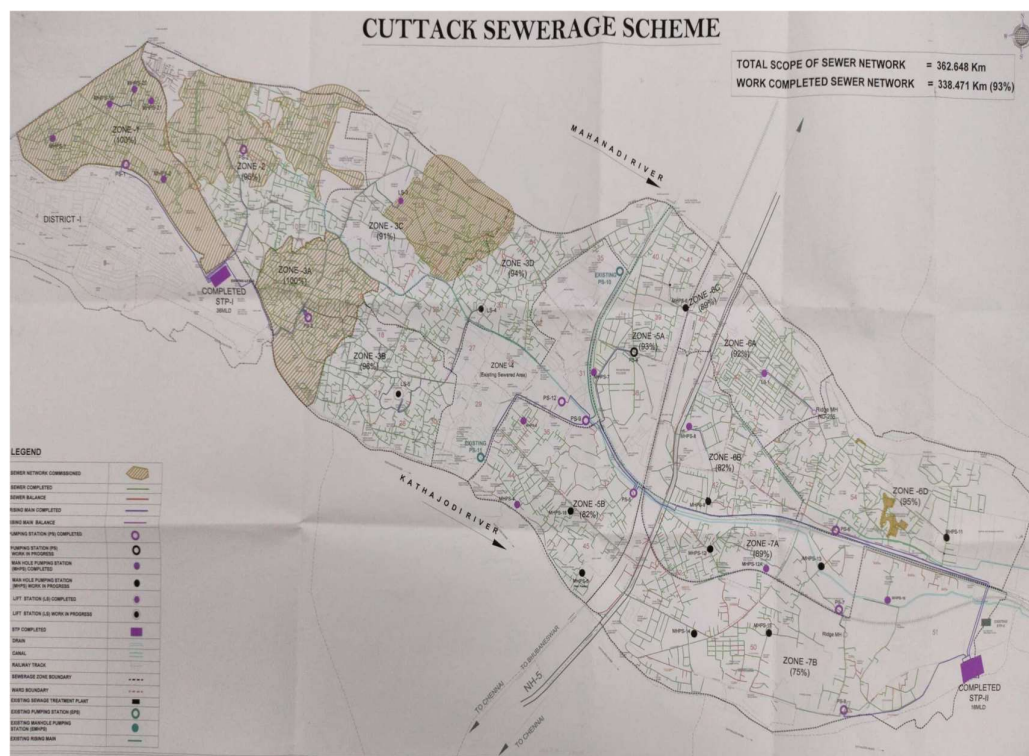
6.4.1 Sewerage system

I. Cuttack Municipal Corporation: As per the Comprehensive Development Plan for Cuttack City, made by the Indian Institute of Technology (IIT), Kharagpur, received in August 2011, by the Government of Odisha, Cuttack city did not have a comprehensive sewerage facility, with the discharge of domestic waste being made through storm drains directed to the rivers. As a result, the quality of water, in the Mahanadi and Kathajodi rivers, had exhibited a deteriorating trend and the implementation of a proper wastewater management system was necessary for treating the huge quantities of wastewater generation. In order to have a comprehensive sewerage system, CMC initiated measures to obtain funds from external agency and aimed to implement the sewerage network during 2013.

Out of the 424 kms of sewerage network in Cuttack, 362 kms of sewer network is under construction through the Japan International Cooperation Agency (JICA) assisted Odisha Integrated Sanitation Improvement Project (OISIP).

An outline of the sewer construction works, undertaken through the JICA assisted project, is as under:

Photograph No.- 6.3



86 (i) Cuttack Municipal Corporation (ii) Sambalpur Municipal Corporation (iii) Choudwar Municipality (iv) Kuchinda Notified Area Council (NAC) (v) Rairakhol NAC and (vi) Athagarh NAC

The project (Cuttack Sewerage Scheme) was awarded to M/s L&T Ltd., with a project cost of ₹ 899.85 crore, with effect from 18 February 2013, and was scheduled to be completed by 31 December 2021. The work of construction of two sewerage treatment plants (30 MLD + 16 MLD) and 36 pumping stations, with 380 kms of sewer line, Cuttack and Bhubaneswar, was awarded to M/s. VA Tech Wabag, with a project cost of ₹ 274.10 crore, for completion by March 2023.

As of March 2022: (i) out of the total 362 kms of sewer line proposed, 338 kms of sewer line had been completed, for which ₹ 1,011.51 crore had been paid, with an increase of ₹ 111.66 crore in the project cost and (ii) ₹ 257.14 crore had been paid, for commissioning of STPs and allied works.

These works remained incomplete, with time and cost overruns, and depriving the service delivery to urban public as mentioned below:

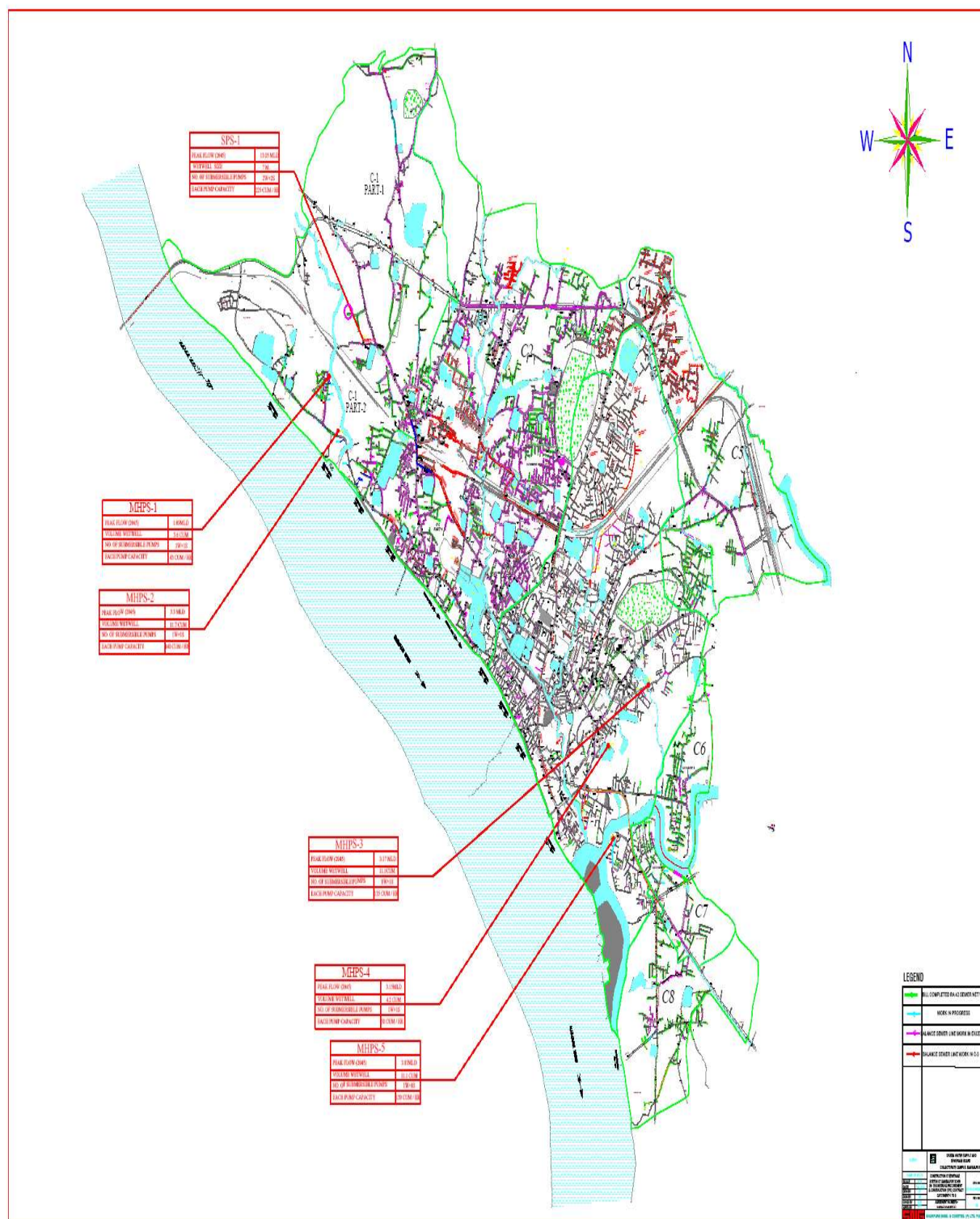
- 24 kms of sewer line, covering over 12 zones across Cuttack city, could not be completed (as shown in the preceding sketch), due to unexpected growth in extended areas in city and changes in the scope of work (December 2011), such as: (i) increase in the length of sewer lines, from 241 kms (in the initial proposal) to 380 kms and (ii) increase in the number of pumping stations, from 42 to 56.
- Out of 20 manhole pumping stations, 11 had been completed and nine were in progress.
- Two, out of the four lift stations⁸⁷, were in progress.
- Sewerage lines of only two zones (instead of 14 zones), included in the scope of work, in the New Bidanashi and Chandini chowk areas, in the western part of Cuttack, covering about 10,000 houses (out of 55,000 houses included in the scope of work), had been commissioned.

II. Sambalpur Municipal Corporation: Sambalpur city did not have any sewerage facility. Wastewater and sewerage waste was being discharged into drains and ultimately into the River Mahanadi, through two natural drains (nallahs), namely: (i) Dhobi Jore Nallah and (ii) Hardan Jore Nallah, which falls at Binakhandi.

SMC initiated (2016) the setting up of a comprehensive sewerage system and awarded (January 2017) the contract for the work of “Construction of Sewerage System of Sambalpur Town”, on the Engineering Procurement and Construction (EPC) mode, to M/s Gharpure Engineering and Constructions (P) Ltd., Pune, at an agreement cost of ₹ 294.93 crore (construction cost), for completion by January 2020. The scope of work included: (i) the laying of 252.73 kms of sewer lines (ii) construction of eight Sewerage Pumping Stations and (iii) construction of one STP. Audit, however, noted that, as of March 2022, out of the total length of sewer lines proposed (252.73 kms), 91.35 kms of sewer lines had been completed and payment of ₹123.35 crore had been made. A sketch of the sewerage network of Sambalpur city is as follows:

⁸⁷ A ‘lift station’ is a pumping station that moves waste water from a lower elevation to a higher elevation.

Photograph No.- 6.4



In this regard, Audit observed the following position (as of December 2021):

- The agency had to lay 252.73 kms length of pipeline, due to encounter of hard rock during execution, and had submitted (November 2021) a price break-up in this regard, due to which the progress of the work had been delayed. The revised target, as scheduled by the Engineer-in-Chief, Odisha Water Supply and Sewerage Board, aimed at completion by March 2023. Gravity sewer line⁸⁸ of 161.376 kms could not be completed, across eight sewerage Catchments of Sambalpur city (as shown in the sketch above), due to change in the scope of work, such as realignment of sewer lines, on account of private land, necessitating land acquisition.
- Out of eight Intermediate Pumping Stations (IPS), only one had been completed (as of October 2022). Due to non-completion of the sewer lines, flow was not being received in the pumping stations, to enable their commissioning. The proposed Sewage Treatment Plant of 40 MLD capacity and the Main Pumping station at Dhanupali, were yet to be completed and commissioned, indicating lack of monitoring of these works, by the ULB.
- The progress of construction of manholes had been hampered due to hard granite rock having been encountered along the trunk main⁸⁹ and at other places. Accordingly, out of 14,018 manhole chambers, only 4,277 had been constructed (March 2022) indicating defective survey and investigation in the alignment of the main trunk.
- The sewage collected from households, by the SMC, through three cesspool vehicles, had been discharged at the Fecal Sludge Treatment Plant (FSTP), Khandual, through a private agency. Scrutiny, however, revealed that excreta from the public toilets at Municipal Corporation areas was being discharged directly into open drains, under insanitary conditions, leading to increase in the water pollution of river Mahanadi.
- There was no underground sewerage system in the NACs of Kuchinda and Rairakhol. The above NACs were collecting the sewage through cesspool vehicles and discharging it in the demarcated places, as the FSTPs, at the NAC level, were under construction. Thus, persons residing within the urban areas covered by these ULBs did not have access to sewerage facilities.

Recommendation:

1. Steps may be taken to operationalise the sewerage systems, in both ULBs, in a time bound manner.

6.4.2 Food Safety Management System in ULBs

Section 576 of the OMC Act entrusts the Corporations covered by the Act, with the duties of ensuring sale/purchase of non-adulterated food within their areas. The Food Safety and Standards (FSS) Act, 2006, stipulates that: (i)

⁸⁸ A channel utilising the energy resulting from a difference in elevation, to remove unwanted water.

⁸⁹ 'Trunk main' refers to the convey of water, in bulk, from the source, usually to a service reservoir.

under Section 31, any person desirous of commencing or carrying on any food business is required to make an application, for grant of a licence, to the designated officer and (ii) under Section 37, the Commissioner of Food Safety⁹⁰ is required to appoint a Food Safety Officer (FSO), for surveillance, collection of food samples, inspection and seizure of food, etc.

Further, as per Para 2.1.3 (4) of the FSS Rules, 2011, FSOs are required to maintain a database of all Food Business Operators (FBO) within their jurisdictions. As per Section 32 of the FSS Act, 2006, Improvement Notices⁹¹ are to be served to those who fail to comply with the regulations.

In this regard, Audit noted the following irregularities:

- (i) CMC and SMC did not maintain any database of FBOs functioning in the Corporation areas. As of March 2021, they had issued: (a) licenses in favour of 1,670 (1,028+642) FBOs who had applied for licences on their own (b) 3,439 (2,052+1387) registration certificates, to different street vendors / small shop owners. However, they had no information about the number of FBOs / street vendors / small shop owners, operating in the Corporation areas, without licenses, due to the absence of a database.
- (ii) As per the target fixed by the Commissioner, Food Safety, CMC and SMC were required to draw 15, 10 and 7 surveillance⁹² samples, and 4, 4 and 5 legal samples, per month, for FYs 2018-19, 2019-20 and 2020-21, respectively, as per details in **Table 6.5**.

Table 6.5: Details of food samples drawn and tested, vis-a-vis samples which qualified for consumption (FYs 2018-19 to 2020-21)

ULB	Target for legal samples	Legal samples sent for analysis	Reports received in regard to the legal samples	Samples qualified, out of the legal samples	Target for surveillance samples	Surveillance samples sent for analysis	Report received, out of the Surveillance samples	Samples qualified out of the surveillance samples
1	2	3	4	5	6	7	8	9
CMC	156	42	42	31	384	364	364	284
SMC	156	57	57	38	384	154	104	75
Total	312	99	99	69	768	518	468	359

(Source: Information furnished by CMC and SMC)

Thus, during FYs 2018-19 to 2020-21, against the 156 targeted legal samples, required to be collected by each ULB, CMC collected 42 samples and sent them for analysis (indicating a shortfall of 114 in the collection of legal samples), while SMC collected 57 samples (indicating a shortfall of 99 in the collection of legal samples). Further, though both Corporations were required to send 768 (384 each) surveillance samples, to the State Public Health Laboratory (SPHL), Bhubaneswar, for analysis/examination, they had sent only 518 samples for this purpose. Against these 518 samples sent for

⁹⁰ The Commissioner of Food Safety functions under the ambit of the Health and Family Welfare Department, Government of Odisha (which appoints the FSOs for ULBs).

⁹¹ Remedial action to be taken on the deficiencies noticed during surveillance of any establishment, under the Food Safety and Standards Act, 2006.

⁹² 'Surveillance Sample' is a sample taken for the purpose of surveillance, survey or study, that cannot be used in court.

analysis, 468 reports had been received. Analysis of these 468 reports showed that 359 samples had met the prescribed standards, while 109 samples had failed to meet the prescribed standards. Audit, however, found that no Improvement Notices had been served to the FBOs who had failed to comply with the regulations, despite this having been laid down under Section 32 of the FSS, Act, 2006.

(iii) No FSOs had been posted in the other test-checked NACs / Municipalities.

Recommendation:

2. State Government may take measures to post adequate numbers of Food Safety Officers, in the ULBs, for monitoring food safety.

6.4.3 Construction, development and maintenance of city roads

The Odisha Municipal Corporation Act, 2003, empowers Urban Local Bodies (ULBs) to construct and maintain roads within their jurisdictions. ULBs generally utilise road development grants, as well as funds made available by the Central and State Finance Commissions, for the construction, repair and maintenance of roads.

As on March 2021, the total length of roads and drains, of the three test-checked ULBs of Cuttack District, was 1,074.57 kms and 1,773.64 kms, respectively. Similarly, the total length of roads and drains, of the three test-checked ULBs of Sambalpur District, during the same period, was 1,277.39 kms and 652.54 kms, respectively. Details of the types of roads and drains, maintained by the test-checked ULBs, during FYs 2018-19 to 2020-21, are given in **Table 6.6**.

Table 6.6: Types of roads and drains constructed and maintained by the test-checked ULBs (FYs 2018-19 to 2020-21)

Selected ULB of Districts	Types of roads							(in kilometres)		
	CC roads ⁹³	Black top ⁹⁴ roads	WBM roads ⁹⁵	Morrum roads ⁹⁶	Earthen roads ⁹⁷	Total	Roads requiring upgradation to pucca roads	Pucca drains	Kutchha drains	Total length
Cuttack	909.3520	14.4830	75.750	22.517	52.47	1,074.572	74.987	742.214	1,031.426	1,773.64
Sambalpur	594.9640	157.7200	294.836	128.410	101.46	1,277.390	229.870	345.040	307.500	652.54
Total	1,504.3160	172.2030	370.586	150.927	153.93	2,351.962	304.857	1,087.254	1,338.926	2,426.18

(Source: information furnished by the test-checked ULBs)

⁹³ Cement Concrete Road

⁹⁴ 'Black top road' is a bituminous paving road

⁹⁵ 'Water Bound Macadam' road, consisting of raw material such as crust aggregate, screening and binding material.

⁹⁶ 'Morrum road' is a road constructed with a mixture of soil, sand and gravel.

⁹⁷ An 'earthen road' is constructed by means of mixing soil with fine gravel.

(i) *Non-construction of pucca⁹⁸ roads*

Provision of *pucca* roads in ULBs, including for slum settlement, was an obligatory function⁹⁹, as per the Standard Operating Procedure for Slum Upgradation and Delisting, through the JAGA Mission¹⁰⁰. During FYs 2018-19 to 2020-21, the test-checked ULBs had 370.586 kms of WBM roads, 150.927 kms of morrum roads and 153.93 kms of earthen roads, out of the total road length of 2,351.962 kms. Audit, however, noted that, despite the availability of funds under various schemes, for creating road infrastructure, 304.857 kms of earthen roads/ morrum roads had remained as they were, without being upgraded to *pucca* roads.

(ii) *Works executed without planning*

Audit scrutiny of the agreement registers of the test-checked ULBs revealed that, during FYs 2018-19 to 2020-21, CMC, Choudwar Municipality and Athagarh NAC, had executed 1,143, 118 and 152 agreements, for road and drain works, respectively. Similarly, SMC, NAC, Kuchinda and NAC, Rairakhol, had executed, 481, 112 and 164 agreements, for improvement of cement concrete road and drain works, respectively, for the convenience of the public. During FYs 2018-19 to 2020-21, the test-checked ULBs had spent ₹111.07 crore (Cuttack: ₹76.39 crore + Sambalpur: ₹34.68 crore), with scheme funds, amounting to ₹473.93 crore (Cuttack: ₹261.13 crore + Sambalpur: 212.80 crore), which could have been utilised for road mobility, having remained unspent, as of March 2021. This was due to the absence of Integrated Corporation Development Plans (ICDPs) at the Corporation level and District Planning Committees (DPCs) at the NAC/Municipality level, although these were envisaged under Article 243 ZD of the Constitution of India and Section 499 of the Odisha Municipal Corporation Act, 2003, respectively.

Recommendation:

3. ULBs may prepare strategic plans for upgradation of the existing earthen/morrum roads, to pucca roads, by utilising the funds available under various schemes.

Implementation of Schemes

6.5 *Swachh Bharat Mission*

The Swachh Bharat Mission (SBM), covering 4,041 cities and towns across the country, was launched on 2 October 2014, with the aim of eradicating open defecation (OD) by 2019 and providing access to sanitation facilities, including toilets, solid & liquid waste disposal systems, village cleanliness and

⁹⁸ 'Pucca' roads are roads having a bituminous layer/concrete

⁹⁹ 'Obligatory functions' are functions which are to be mandatorily performed by the Corporation.

¹⁰⁰ The 'JAGA Mission' is a scheme of GoO, which aims at transforming slums to livable habitats, through a combination of land rights and a comprehensive process of slum improvement. Under this scheme, slum settlements are to be provided with necessary physical infrastructure, such as pipe water supply, *pucca* roads, street lights, sanitation, etc.

provision of adequate drinking water. In line with the national goal, the Government of Odisha has also taken steps to make the State Open Defecation Free (ODF) by 2019, by ensuring construction and use of Individual Household Latrines (IHHLs), along with environmental cleanliness.

6.5.1 Status of IHHLs in the test-checked ULBs

As per Paras 4.1 and 4.2 of the Swachh Bharat Mission (Urban) guidelines, the objective of the mission was to ensure that: (a) no household should engage in the practice of OD (b) no new insanitary toilets were constructed during the mission period (c) Pit latrines were converted to sanitary latrines (d) household toilets, constructed under SBM, consisted of a super structure (including the pan and water closet) and a substructure (either an on-site treatment system or a connection to existing underground sewerage system).

Details of the IHHLs, constructed in the two test-checked districts, during FYs 2015-16 to 2020-21, were as given in **Table 6.7**.

Table 6.7: Construction of toilets under SBM

Name of district	Component	No of applications received	No of applications verified & work orders issued	Toilets completed	Toilets under construction	Toilet work not commenced	Expenditure (₹ in crore)
Cuttack	IHHL	16,232	12,094	9,329	22	2,743	7.50
Sambalpur	IHHL	15,093	2,983	2,912	71	0	2.38
Total		31,325	15,077	12,241	93	2,743	9.88

(Source: Dashboard of the SBM)

Deficiencies noticed in the construction of IHHLs are discussed in the subsequent paragraphs.

6.5.2 Financial position

During FYs 2015-16 to 2020-21, the test checked ULBs had spent ₹28.92¹⁰¹ crore out of ₹74.70¹⁰² crore received under the SBM scheme (both Central and State share), for the construction of IHHLs, Community Toilets/Public Toilets (CTPT), Urinals, IEC activities and for SWM. They had, however, not taken initiatives, by means of preparing city sanitation plans and timely approval of applications for construction of IHHLs, for optimum utilisation of the available funds, resulting in the surrender of unutilised funds, amounting to ₹45.78 crore, to the State Nodal Account of SBM (U). This was due to non-preparation of short term/long term/contingency plans, for utilisation of funds, for the City Sanitation Plan and SWM component. Utilisation Certificates (UCs), for grants amounting to ₹8.58 crore, released to six test checked ULBs, during FYs 2016-17 to 2020-21, for construction of IHHLs, were yet to be submitted (January 2022).

¹⁰¹ Expenditure under SBM by CMC: ₹10.60 crore, Choudwar Municipality: ₹ 2.71 crore, Athagarh NAC: ₹1.99 crore, SMC: ₹ 11.31 crore, Rairakhol NAC: ₹ 1.28 crore and Kuchinda NAC: ₹ 1.03 crore

¹⁰² Receipts under SBM by CMC: ₹35.20 crore, Choudwar Municipality: ₹ 6.35 crore, Athagarh NAC: ₹2.33 crore, SMC: ₹ 27.29 crore, Rairakhol NAC: ₹ 1.90 crore and Kuchinda NAC: ₹ 1.63 crore

6.5.3 *Non-preparation of City Sanitation Plans*

Paragraphs 2.5 and 3 of the SBM guidelines stipulated that the State had to prepare a Comprehensive Sanitation Plan, as well as City Level Sanitation Plans (CSPs) for all ULBs in the State. Accordingly, the Housing and Urban Development (H&UD) Department had issued (September 2015) instructions to all ULBs, for preparation and immediate submission of CSPs. In December 2016, the H&UD Department again asked ULBs to revise their sanitation plans by 15 January 2017, after making Door to Door (D2D) surveys of toilet-less HHs.

Scrutiny of records of the SMC and CMC revealed that both ULBs had prepared their city sanitation plans, in the years 2012 and 2017, respectively, and forwarded them to the H&UD Department, GoO, for its approval. Audit however, noted that, as of January 2022, approval for these CSPs had not been received from the Government. The other test-checked ULBs had not prepared any city sanitation plans.

6.5.4 *Delay in verification and approval of applications*

Para 4.3.1 of the SBM guidelines stipulated that applications in regard to construction of IHHLs, received from beneficiaries, should be verified within seven days and approved by the Deputy Commissioner (Sanitation) or Executive Officer of the concerned ULBs. Records revealed that the ULBs of Cuttack and Sambalpur districts had received 31,325 applications during FYs 2014-15 to 2020-21, out of which 575 applications were pending for verification, as of November 2021. The period and reasons for pendency could not be explained to Audit, due to non-recording of details such as the dates of receipt of the applications, dates of verification and dates of approval of the applications, in the concerned registers. Thus, non-construction of IHHLs resulted in open defecation.

This indicated the absence of accountability of Deputy Commissioners (Sanitation) or Executive Officers of the concerned ULBs, which had led to delay in the verification and approval of applications.

6.5.5 *Delayed release of financial incentive to IHHL beneficiaries*

As per Paragraphs 4.4, 4.4.1 and 4.4.5 of the SBM guidelines: (i) the central Government incentive, for construction of household toilets, was fixed at ₹4,000 per household toilet, for each identified beneficiary in the States and UTs (ii) 50 *per cent* of the Central Government incentive was to be released to the identified beneficiary households, as the 1st instalment, on approval by the ULBs, along with the share of the State Government (iii) there was no bar on releasing any extra funds at any stage, using additional resources generated/provided by the State Government/ ULBs (iv) ULBs were required to ensure transfer of financial incentive to beneficiary households, in a timely and hassle-free manner.

Scrutiny of records of the test-checked ULBs revealed that, during FYs 2015-16 to 2020-21, funds amounting to ₹9.87 crore, had been released, for construction of IHHLs, to 12,241 beneficiaries. Out of these 12,241

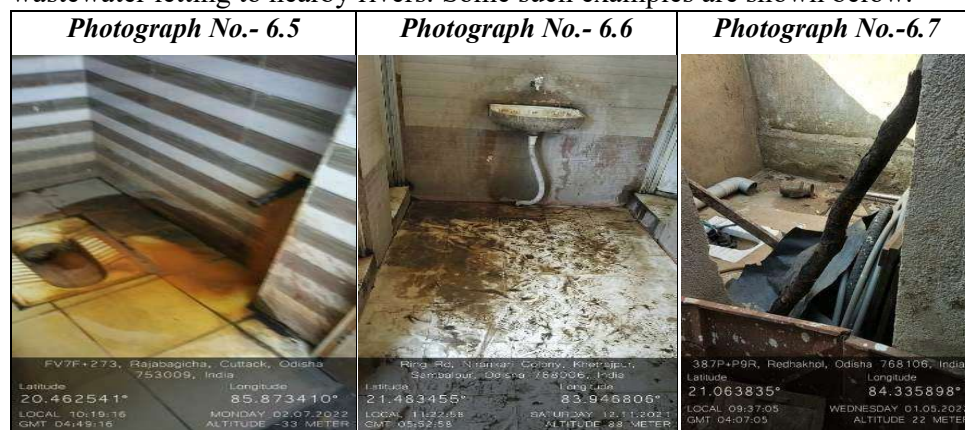
beneficiaries, 10,279 had been paid incentive, after completion of IHHLs, without their having availed of the first instalments, due to lack of proper supervision and co-ordination by ULBs, with the concerned beneficiaries. As such, these beneficiaries had been constrained to bear the entire cost of the IHHLs, as reimbursement of the incentive had been provided only after completion of the IHHLs. This also indicated that the beneficiaries had not been encouraged to avail of the initial funding by ULBs and they were, therefore, forced to shoulder the financial burden for completion of the IHHLs.

6.5.6 *Unfruitful expenditure of ₹27.58 lakh towards construction of IHHLs*

Scrutiny of records and information furnished by ULBs (Choudwar, Athagarh, Kuchinda and Rairakhol) revealed that the first instalment of ₹2,000, as financial incentive, had been sanctioned to 3,111 beneficiaries, for construction of IHHLs, during FY 2015-16. Out of these 3,111 beneficiaries, only 1,713 beneficiaries had constructed IHHLs, after receiving both instalments, while 19 beneficiaries had returned the first instalments received by them. The remaining 1,379 beneficiaries had received the first instalments, but had neither completed the IHHLs, nor refunded the amount to ULBs. Although show cause notices were, subsequently, issued to such beneficiaries, Audit noticed that, in terms of the SBM guidelines, there were no provisions for recovery of the amount from such beneficiaries and the entire expenditure of ₹27.58 lakh was rendered unfruitful.

6.5.7 *Inadequate operation and maintenance of community toilets*

During Joint Physical Verification (February 2022) of individual/community toilets, with the representatives of the test-checked ULBs, Audit observed that, in many of the toilets, there were no water connections, no electricity connections, lack of repair and maintenance, lack of cleanliness and wastewater letting to nearby rivers. Some such examples are shown below.



Recommendations:

- 4. State Government should prepare a Comprehensive Sanitation Plan, for ensuring sustainable sanitation services.**
- 5. ULBs may focus on the completion of construction of Individual House Hold Latrines (IHHLs), particularly in cases where funds have already been allotted to beneficiaries.**
- 6. ULBs may streamline the process of verification and approval of applications for IHHLs and timely release of funds for their construction.**
- 7. ULBs may prioritise the proper maintenance of community toilets, ensuring supply of water, electricity connections and cleanliness therein.**

6.6 Pradhan Mantri Awas Yojana (Urban)

Government of India (GoI) launched (June 2015) the ‘Pradhan Mantri Awas Yojana- Urban’ (PMAY-U) scheme, with a view to provide housing to all eligible families by March 2022 which was extended (August 2022) upto December 2024. State Governments are required to ensure proper implementation of the scheme. The State Government, however, decided (January 2016) to focus only on the component “subsidy for Beneficiary Led individual house Construction or enhancement (BLC)”. Under this component, eligible families, belonging to the Economic Weaker Sections (EWS) categories, could either construct new houses, or enhance existing houses, by means of their own contributions, as well as assistance from the Government of India (GoI)/Government of Odisha (GoO), which was to be released proportionately, based on the phase-wise progress of construction.

6.6.1 Non-preparation of “Housing for All Plan of action”

As per Paragraph 8.3 of the guidelines, cities were required to undertake demand surveys, through suitable means, for assessing the actual demand of housing. On the basis of these demand surveys and other available data, cities were required to prepare ‘Housing for All Plan of Action’ (HFAPoA). Under Paragraph 8.5 of the guidelines, on the basis of the HFAPoA so prepared, States/Cities were to prepare their Annual Implementation Plans (AIPs), dividing the task up to 2022, keeping in view the availability of resources and priority. For larger cities, HFAPoA and AIPs could be prepared at the sub-city (ward/ zone, etc.) level, with the approval of the concerned State/ UT Government.

Scrutiny of records furnished by two ULBs (CMC and SMC) showed that they had conducted surveys (March 2019) assessing the actual demand of housing in the cities and had also identified 44,356 beneficiaries, for inclusion in the scheme. Audit, however, noted that, as of March 2021, both Municipal Corporations had not yet prepared their HFAPoAs, in terms of the guidelines, as a result of which, the objectives could not be achieved within the stipulated time frame. The remaining test-checked ULBs¹⁰³ had also not prepared their

¹⁰³ (i) Choudwar Municipality (ii) Athagarh, NAC (iii) Kuchinda NAC and (iv) Rairakhol NAC

AIPs, for implementation of the scheme. Deficiencies observed in regard to the subsidy component, for Beneficiary Led individual house Construction (BLC)¹⁰⁴, are mentioned in the succeeding paragraphs.

6.6.2 *Slow coverage under the scheme*

In order to take up projects under the BLC component, CMC and SMC had prepared DPRs for implementation of the scheme. The status of coverage of eligible beneficiaries, as of December 2021, under these ULBs, is as indicated in **Table 6.8**.

Table 6.8: Coverage of eligible beneficiaries under PMAY-U, during FYs 2016-17 to 2020-21

Name of District	Target of houses proposed in ULBs	No of work order issued	No of house completed	No of houses in progress	House construction not commenced	Percentage of achievement against target
Cuttack	6,950	4,374	3,568	771	35	51.34
Sambalpur	6,995	5,981	3,289	1,369	1,323	47.01
	13,945	10,355	6,857	2,140	1,358	49.17

(Source: Information furnished by the ULBs)

The preceding Table indicates that these ULBs had been able to achieve only 49.17 per cent of the target, during FYs 2016-17 to 2020-21. Audit noted that, despite the provision in the guidelines stating that work would need to be started within 90 days from the date of issue of the work orders, 1,358 beneficiaries had not started construction of their houses till date (March 2022). Construction of these houses could not be started due to financial constraints of the beneficiaries.

The State Government had not fixed any year-wise targets for coverage of beneficiaries, in the absence of HFAPoAs. The targets fixed by the ULBs had also not been achieved, due to non-issue of work orders to the beneficiaries, after due scrutiny of their eligibility. At this pace, the possibility of achievement of coverage of all the eligible households under ULBs by the timeline of the scheme appears remote.

6.6.3 *Unfruitful expenditure*

Under the PMAY-U guidelines:

- (i) The houses were to be completed within a period of 12 months from the date of issue of the work order. They were to have basic amenities, such as water, toilet, sewerage, electricity, road, etc.

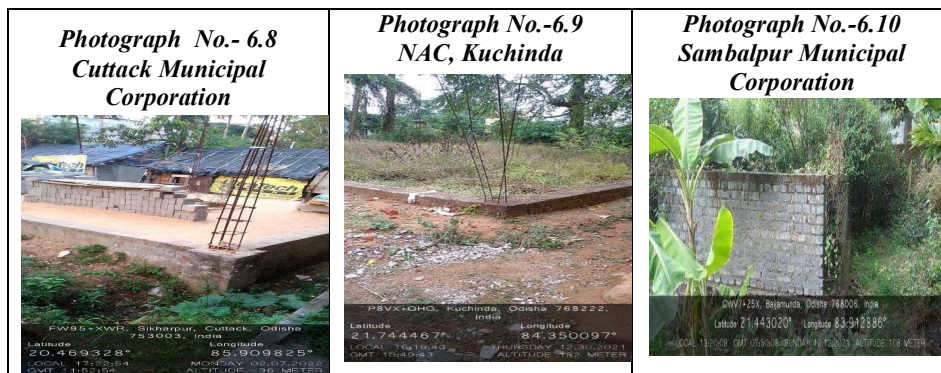
¹⁰⁴ Under this component, eligible families, belonging to the Economic Weaker Sections (EWS) categories, could either construct new houses, or enhance existing houses, by means of their own contributions, as well as assistance from the Government of India (GoI)/Government of Odisha (GoO), which was to be released proportionately, based on the phase-wise progress of construction.

(ii) The housing assistance per beneficiary was to be ₹2.00 lakh, with the Central and State Government funding being in the ratio of 75:25. Assistance was to be provided in phase-wise instalments, with the phases being: (i) Earth Excavation (EE) (ii) Plinth level (PL) (iii) Roof level (RL) and (iv) Completion of the house (Comp). Up to December 2017, the assistance to a unit was to be paid in four instalments, *i.e.* ₹70,000(EE), ₹60,000(PL), ₹50,000(RL) and ₹20,000 (Comp). From January 2018 onwards, the assistance was revised to ₹40,000, ₹60,000, ₹60,000 and ₹40,000, respectively.

Audit of six ULBs, namely the Sambalpur and Cuttack Municipal Corporations, Choudwar Municipality and the NACs at Kuchinda, Rairakhol and Athagarh, revealed that 8,567 work orders, for construction of houses, had been issued, during FYs 2016-17 to 2019-20. As of December 2021, against the 8,567 work orders issued, only 6,804 houses had been completed, while 1,763 houses (518 EE + 541 PL + 704 RL) had not been completed and were at different stages, *viz.* Foundation level (EE), Plinth Level (PL) and Roof Level (RL), since the last one to five years. These houses could not be completed due to financial constraints of the beneficiaries.

During Joint Physical Verification, as well, the beneficiaries of 20 houses expressed their inability to construct/complete their houses, due to financial constraints. Audit observed that: (i) the beneficiaries did not have their own share of funds, for the completion of their houses, nor did they have access to funds, either through any convergence schemes, or by way of self-financing (ii) although funds amounting to ₹18.37 crore had been disbursed, during FYs 2016-17 to 2019-20, to 1,763 beneficiaries, the said houses had not been completed within the stipulated period of one year and had been lying incomplete, since the last one to five years. This had resulted in unfruitful expenditure of ₹18.37 crore, as the possibility of completion of these houses was remote.

Photographs of some incomplete houses are shown below.



As of March 2022, the ULBs had not furnished responses to the audit enquiries made in this regard.

6.6.4 Capacity Building Activities

Under Paragraph 12.1 of the guidelines, ULBs were required to undertake capacity building activities (including trainings, workshops, study/exposure visits, *etc.*), for enhancing the capacities of various stakeholders, in the implementation of the Mission. For the purpose of capacity building, they were also required to undertake: (i) research studies (ii) documentation and dissemination of best practices and (iii) preparation of other scheme related material.

Audit, however, found that none of the test-checked ULBs had imparted capacity building training, indicating that the implementing officers were not adequately equipped with skills to ensure the objective of the Mission, i.e. having Housing for All by 2022.

6.6.5 Standard quality of houses constructed was not ensured

Paragraph 12.10 of the guidelines envisaged that the States/UTs would engage a Third Party Quality Monitoring Agency (TPQMA), to ensure the quality of house construction, under various components of the Mission. The States/UTs were required to draw up their quality monitoring and assurance plans, involving third-party agencies. Such plans were to include visits by third party agencies to the project sites, with the third parties also advising the States and ULBs on quality related issues. States and ULBs were to then take preventive, as well as curative measures, to ensure that houses of standard quality and infrastructure were constructed under the Mission, on the basis of: (i) the quality assurance reports given by such agencies and (ii) the reports of their own technical staff.

In the test-checked ULBs, Audit noted, from the TPQMA report, that the material used in construction had not been tested, for ruling out the usage of substandard material in construction. Further, the availability of the civic infrastructure component, *i.e.* water supply, sewerage, drainage, roads, *etc.*, had also not been seen and ensured by the third party agency, as was evident from the TPQMA report.

Recommendation:

8. ULBs may take steps to strengthen their monitoring mechanism, to ensure: (i) proper utilisation of the funds allocated to them and (ii) timely completion of houses, under the scheme.

6.7 Audit Paragraphs

6.7.1 Non-levy of revised rental fees, by the Cuttack Municipal Corporation, resulted in loss of revenue of ₹2.73 crore

Sections 194(b) (iii), 9(1)(vi) and 29 of the Odisha Municipal Corporation (OMC) Act 2003, provide that: (i) the Corporation shall have the power to levy fees for the licencing of premises used for private markets (ii) there shall be a Standing Committee of the Corporation for dealing with matters relating to licenses and appeals and (iii) the powers, duties and functions vested in the

Corporation shall be exercised by the Commissioner or any other designated officer of the Corporation, with the approval of the Standing Committee.

Audit noted that the License and Appeal Standing Committee of the Cuttack Municipal Corporation (CMC), in its 44th meeting (2 August 2018), had decided to revise the rental fees for the market complexes allotted by the CMC, with immediate effect. The recommendation, on revised rental rates for shops, had, thereafter, been approved in the General Body Meeting held on 28 September 2018. Accordingly, the old rates (ranging between ₹40 and ₹6,991 per month) were to be revised to the new rates (ranging between ₹1,299 and ₹16,200 per month), for the 763 shops located in the market complexes of 21 localities. The revised rates were approved by the Standing Committee and General Body and conveyed to the Commissioner, CMC, on 05 October 2018, for implementation.

Scrutiny of the Demand, Collection and Balance (DCB) Register and other related records, for the financial years 2019-20 and 2020-21, revealed that, instead of levying the revised rent, the Deputy Commissioner, CMC, had continued to levy and collect rent at the old rates. Accordingly, against the leviable rent of ₹3.32 crore, CMC had collected only ₹0.59 crore from these shops, for the financial years 2019-20 and 2020-21, resulting in short levy of ₹2.73 crore, as detailed in *Appendix 6.1*.

The Deputy Commissioner, CMC, stated (06 December 2021) that steps would be taken for the collection of revised/arrears of rent. The reply is not acceptable, as no justification was provided for non-implementation of the decision of the Standing Committee/General Body, despite a lapse of four years, resulting in loss of revenue to the CMC.

6.7.2 Unfruitful Expenditure

Lack of coordination, between BMC and BDA, led to a missing link in a drain, constructed at a cost of ₹4.98 crore, resulting in obstruction of storm water and inundation during heavy rains.

As per Paragraph 3.7.4 of the OPWD Code, no work should be commenced on land which has not been duly made over to the public works division, by a responsible civil officer. The OPWD code also stipulates that the engineer, or the contractor, can require contract management meetings, to discuss issues or constraints in the execution of work, with a view to resolving them.

Drain No. 1C, starting from the Odisha Milk Federation (OMFED) factory and extending up to Main Drain No. 1 at Damana village in Ward No. 9, is a natural drain in Bhubaneswar city, under the jurisdiction of the Bhubaneswar Municipal Corporation (BMC). The drain had been flowing as per the available contours, but its natural flow had become impeded over a period of time, due to urbanisation, construction, etc., resulting in inundation/waterlogging in the adjoining areas, particularly during heavy rains. Acting upon petitions received from the Pokharan Village Development Association, Chandrashekharapur and inhabitants of Chandra Vihar in Ward

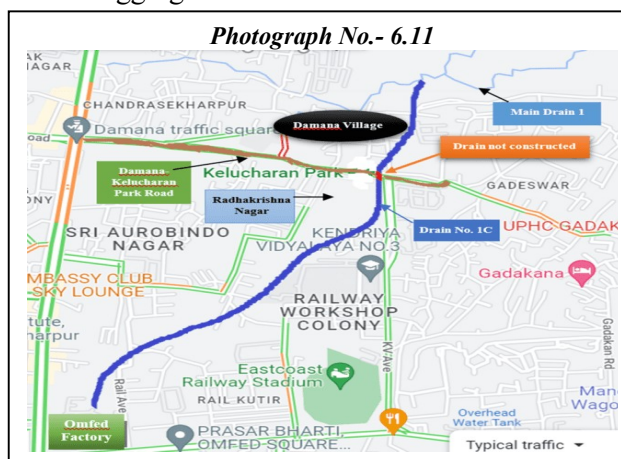
No- 9, BMC considered (January 2019) measures for improving the drain¹⁰⁵ and preventing inundation/waterlogging.

Accordingly, the City Engineer, BMC, sanctioned works for improving the drain (concreting and construction of culverts) and executed them as follows:

(i) Construction of a 930 m drain, with culverts, from the OMFED factory to the Radhakrishna Nagar drain, was sanctioned (January 2019) and awarded (September 2019) at an agreement cost of ₹3.81 crore. It was stipulated for completion by March 2020. The work was completed in September 2021, after incurring expenditure of ₹3.47 crore.

(ii) Construction of a 690 m drain, with box culvert, from Radhakrishna Nagar to Main Drain No.1, was sanctioned (January 2019) for ₹3.05 crore. It was awarded (May 2020) at an agreement cost of ₹2.79 crore and was stipulated for completion by November 2020.

In regard to the work at point (ii), scrutiny of records showed that, as of September 2021, 590 m (app.), out of the total 690 m length of the drain, had been completed, after incurring expenditure of ₹1.51 crore. However, the executing agency had been unable to take up execution of the remaining 100 m of the drain, as this portion of the drain was required to cross the Damana-Kelucharan Park Road (near Damana High School Square), by construction of a box-culvert, and this road came under the jurisdiction of the Bhubaneswar Development Authority (BDA). Despite repeated correspondence¹⁰⁶ by BMC with BDA, requesting permission for construction, BDA had not accorded permission for construction, till the date of audit (November/ December 2021). Further, there was no record of the matter being effectively monitored by higher authorities



¹⁰⁵ Modifications to drainage patterns to address safety issues, increase capacity, or improve water flows or quality

¹⁰⁶ Letters dated July 2020, January 2021, February 2021, March 2021, August 2021 and October 2021.

in the Housing & Urban Development Department, for resolution of the said issue, despite the lapse of nearly two years.

As such, the remaining work of construction of the 690 m drain, could not be completed and the issue of waterlogging/inundation in the adjoining areas, during heavy rains, remained unsolved, rendering the expenditure of ₹4.98 crore, incurred on the project, unfruitful.

Reply from BMC, to the audit observation (December 2021), was awaited.

6.7.3 *Extra/avoidable payment for transportation of waste*

Non-reduction of the contracted rate, by the Cuttack Municipal Corporation, for transporting municipal solid waste, despite the availability and use of a shorter route by the contractor(s), led to extra/avoidable payment of ₹0.76 crore.

As per Rules 9 and 10 of Odisha General Financial Rules 1971, every officer should be guided by high standards of financial propriety and exercise vigilance, prudence and strict economy, in regard to expenditure of public money.

Audit noted that, for the management of Municipal Solid Waste (MSW)¹⁰⁷, the Cuttack Municipal Corporation (CMC) entered (March 2011) into an agreement with M/s Ramky Enviro Engineers Pvt. Ltd (REEL), Hyderabad, for the period April 2011 to March 2018, and, in another agreement (March 2018), with M/s BBG Metal Syndicate Private Ltd., from April 2018 onwards. As per part D(b) of clause 12.1 of the general conditions of contract in the agreement, the contractor was to be paid for transportation of MSW, from the transfer station (at Satichaura) to the landfill site/dumpsite (at Chakradharpur), at the rate of ₹153 per ton per day. Further, a decision was taken (October 2017), by the Public Health Standing Committee, that the transportation rates would be increased by five *per cent* per annum, effective from the month of May every year, starting from May 2018.

Audit also observed that, at the time of entering into the agreement (March 2011), the distance between the transfer station (at Satichaura) to the landfill site/dumpsite (at Chakradharpur), was 19.3 km (route in grey, in the map below) *via* Naraj Bridge. In July 2017, after the inauguration of the Netaji Setu Bridge (near Trisullia), the distance reduced to 16 km (route in blue, in the **Photographs No. 6.13**).

¹⁰⁷ Door to door collection, storage, transportation, manual and mechanical sweeping, construction of transfer stations, covering of landfill with earth and levelling by mechanical means.

Photograph No.- 6.13



below) via Naraj Bridge. In July 2017, after the inauguration of Netaji Setu Bridge (near Trisulia), the distance reduced to 16 km (route in blue, in the map below).

Scrutiny of records showed that, despite the reduction in distance between the transfer station and the landfill site/dumpsite by 3.3 km (July 2017 onwards) and the simultaneous increase in the rate of transportation charges (October 2017) by five *per cent* per annum, effective from May 2018, CMC had failed to reduce the base price (2011) of the transportation charges, which had been fixed when only the longer route, *via* Naraj Bridge, was available, as no such condition had been stipulated in the contract agreement.

During joint physical verification (February 2022), conducted by Audit, with the Sanitary Supervisor, CMC, it was revealed that the contractor(s) were using the shorter route, *via* Netaji Setu Bridge, for transportation of MSW, from the transfer station to the landfill site/dumpsite. Despite this, from the period August 2017 onwards, CMC continued to make payments to the contractor(s) at the rate of ₹153 per ton per day, with five *per cent* increase every year since May 2018 onwards.

Thus, as a result of not reducing the base price of transportation charges of MSW, from ₹153 per ton per day, despite contractor using the shorter route of 16 Kms, CMC made extra/avoidable payment of ₹76 lakh (as per the detailed calculation sheet at **Appendix- 6.2** to the contractor, for the period from August 2017 to November 2021, for the transportation of 2,61,933 MT MSW.

The Cuttack Municipal Corporation did not furnish any reply in this regard (as of January 2022).

6.7.4 Diversion of Central grants

Bhubaneswar Municipal Corporation diverted central funds, amounting to ₹5.02 crore, from a Centrally Sponsored Scheme to a State Plan Scheme.

Government of India (GoI) introduced (August 1995) the National Social Assistance Programme (NSAP), as a Centrally Sponsored Scheme, to provide welfare assistance to eligible beneficiaries, under various categories/schemes, including the Indira Gandhi National Old Age Pension Scheme (IGNOAPS) and Indira Gandhi National Widow Pension Scheme (IGNWPS). As per para 7 of the NSAP guidelines, 1995 (i) it should be ensured that central assistance does not displace the States' own expenditure (ii) States/UTs may expand their own coverage of social assistance independently, wherever they wish to do so.

Government of Odisha introduced (January 2008) the Madhu Babu Pension Yojana (MBPY), as a State Plan Scheme, to provide welfare assistance to eligible beneficiaries, in accordance with the provisions contained in MBPY Rules, 2008.

Scrutiny of records of the Bhubaneswar Municipal Corporation (BMC) revealed the following:

(i) As per Para 13 (iii) of the General Conditions of the NSAP Guidelines, 1995, in order to facilitate smooth flow of funds to the implementing agencies and to ensure prompt disbursal of benefits under the NSAP, the State Government was required to arrange for opening of separate accounts, at the district level, for the release of funds by the Central Government for the district. The above condition implies that NSAP funds should not be transferred to the accounts of any other scheme. Audit, however, noted that BMC had transferred an amount of ₹5.02 crore, allocated under the NSAP¹⁰⁸, in four transactions, made between September 2020 and July 2021, to the MBPY bank account (as detailed in *Appendix- 6.3*. Diversion of Central funds was in violation of the NSAP guidelines prescribed by GoI.

(ii) Test-check of payment records of one month (October 2021) revealed that BMC had authorised the bank to make payment of ₹1.12 crore, from the MBPY account to 21,199 beneficiaries, towards pensionary benefits. However, scheme-wise data of the beneficiaries to whom these payments had been made, was not made available to Audit, in the absence of which, it could not ascertain the utilisation of funds.

(iii) Further, it was noticed that the officers of BMC (Deputy Commissioner, Welfare and Chief Finance Officer) had drawn self-cheques of ₹2.99 crore, from the bank accounts of NSAP and MBPY, in three transactions (as detailed given in *Appendix- 6.4*, for disbursement of pensionary benefits, in cash, to certain categories of beneficiaries. However, no vouchers/payee receipts, in support of disbursement/utilisation of the amounts drawn through self-cheques, were available on records. Non-

¹⁰⁸ IGNOAPS and IGNWPS

maintenance of essential records, relating to utilisation/disbursement of cash drawn through self-cheques, was fraught with the risk of embezzlement.

Reply to the audit observations (December 2021) was awaited from Commissioner, BMC.

6.7.5 *Fraudulent payment*

Lack of due diligence, by municipal authorities, led to fraudulent payment of old age pension of ₹2.18 lakh, against deceased beneficiaries.

Government of Odisha introduced (January 2008) the Madhu Babu Pension Yojana (MBPY), as a State Plan Scheme, to provide welfare assistance to eligible beneficiaries, in accordance with the provisions contained in the MBPY Rules, 2008. As per clauses 16 and 19 of the MBPY Rules, 2008, the Executive Officer (EO) of the ULB is required to report every case of death of a beneficiary, immediately after its occurrence, to the Sub-Collector. The EO is also required to conduct, ordinarily in the first week of April every year, an annual verification of pensioners, to ascertain the survival of the pensioners and ensure that they continue to fulfil all the conditions of eligibility. If, either as result of verification, or otherwise, the EO is satisfied that the pensioner is no longer alive, the EO is required to immediately cancel the pension and communicate the same to the Sub-Collector, for approval. Further, as per clause 22 of the scheme, the pension shall cease to be disbursed following the date of death of the pensioner.

Scrutiny of the records of two Municipalities, viz. Rairangpur and Sonepur, revealed that the EOs had not conducted any annual verification in their Municipalities, to satisfy themselves that the pensioners receiving pension under MBPY were alive.

Audit conducted a test-check of the Death Register and the Acquittance Register (register containing details of the beneficiaries receiving pension in cash, showing acknowledgement, in the form of signature or thumb impression, of such receipt), maintained in eight and three wards of the Rairangpur and Sonepur Municipalities, respectively, and found that pension payment had been made to 25 deceased beneficiaries, for periods ranging from one to 27 months, from the month in which the last payment of pension should actually have been made. These 25 cases were found at the time of cross-checking between the death register and acquaintance register, indicating failure of the internal control mechanism in these Municipalities and indicated that the validity of the signatures or thumb impressions of other beneficiaries also needed urgent verification.

It was evident from the above that the municipal authorities were neither checking the death register, nor ascertaining the actual identity of the payee, at the time of disbursement of pensionary benefits, resulting in fraudulent payments of pension amounting to ₹2.18 lakh.

The EOs of the Municipalities replied (December 2020 and January 2021) that action would, hereafter, be taken, to conduct verification of beneficiaries.

However, no justification was offered for the lack of due diligence, on part of the municipal authorities, which had resulted in the fraudulent payments.

6.7.6 Unadjusted advances of ₹4.70 crore paid to staff and agencies

Absence of internal control and non-monitoring of advances paid to staff and agencies, resulted in non-adjustment/non-recovery of ₹4.70 crore.

Rule 509, of the Odisha Treasury Code (OTC) Vol. I and Finance Department Circular of November 1985, stipulate that advances allowed to Government servants should be adjusted within one month of disbursement. Rule 507 (1) (b) (i) also stipulates that second advances are to be sanctioned only after the adjustment of the previous one.

Further, as per Note 9 below Rule 37 of the OTC: (i) the advances given to officials should be noted in a Register of Advances, showing therein all the particulars regarding the date, name and designation of the officers receiving the advances, amounts of advance, purposes for which they have been given, dates of submission of accounts, total amounts adjusted and balances refunded and (ii) the register of advances should be reviewed frequently, to see that all the advances have been cleared without any delay.

Finance Department Circulars of March 2002 and January 2004 also stipulated that any advances remaining unadjusted, without any valid reason, for more than one year, should be treated as losses to the organisation/Government and should immediately be recovered from the concerned advance holders and sanctioning authorities.

Scrutiny of the advance registers and information furnished by eight ULBs revealed that advances, amounting to ₹4.70 crore, paid to staff and other agencies, were lying unadjusted, as of March 2021 (as detailed in **Appendix 6.5**). The major advances, which had remained unadjusted, are given illustrated in **Table 6.9**.

Table 6.9: Major unadjusted advances, taken by employees/agencies

(₹ in lakh)

Sl. No.	ULB	Purpose	Amount of advance
1	Sundargarh Municipality	Works Advance	2.61
2	Sonepur Municipality	Construction, ULB election, Travelling advance	5.97
3	Rairangpur	Works, plantation, repair of Quarter of Executive Officer	2.42
4	BMC	Free kitchen during the period of cyclone 'FANI'	58.00
5	CMC	Advance for Ahar Society	180.00

These advances had been sanctioned as early as FY 2001-02 and the delays in recovery ranged from two months to 234 months (i.e., over 19 years). Further, neither had the Registers of Advances been maintained properly, as per rules, nor had they been reviewed by the competent authorities, to watch the adjustment of these long outstanding advances. Audit noted that the ULBs had not taken any action against the defaulting officials/agencies, for recovery of these advances.

Thus, failure to implement internal controls, non-monitoring of adjustment of advances and non-compliance with rules regarding recovery of advances from defaulters, resulted in non-adjustment/non-recovery of advances, amounting to ₹ 4.70 crore. Non-adjustment of advances given to officials/agencies, for inordinately long periods of time, was not only in violation of the financial rules but was also fraught with the risk of embezzlement of public money.

The Executive Officers of the municipalities replied (December 2020 and February 2021) that steps would be taken for adjustment of advances. However, they did not provide any justification for non-compliance with the financial rules.

Recommendation:

Government may take immediate appropriate action to recover the outstanding advances from the delinquent officials.



Bhubaneswar
The 7th July 2023

(RAJ KUMAR)
Principal Accountant General (Audit-I)
Odisha

Countersigned



New Delhi
The 13th July 2023

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix 1.1

(Refer Paragraph No. 1.3)

Status of devolution of 29 functions of the State Government to PRIs

Sl. No.	Function to be devolved	Date of transfer
1	Agriculture, including Agricultural extension	25.10.2005
2	Land improvement, implementation of land reforms, land consolidation and soil conservation	25.10.2005
3	Minor irrigation, water management and watershed development	25.10.2005
4	Animal husbandry, dairying and poultry	25.10.2005
5	Fisheries	25.10.2005
6	Social forestry and Farm forestry	Not yet transferred
7	Minor Forest Produce	25.10.2005
8	Small scale industries, including food processing industries	Not yet transferred
9	Khadi, village and cottage industry	Not yet transferred
10	Rural Housing	25.10.2005
11	Drinking Water	25.10.2005
12	Fuel and fodder	Not yet transferred
13	Roads, culverts, bridges, ferries, waterways and other means of communication	25.10.2005
14	Rural electrification, including distribution of electricity	Not yet transferred
15	Non-conventional energy sources	25.10.2005
16	Poverty alleviation programme	25.10.2005
17	Primary education	25.10.2005
18	Technical training and vocational education	Not yet transferred
19	Adult and non-formal education	25.10.2005
20	Libraries	Not yet transferred
21	Cultural activities	Not yet transferred
22	Markets and fairs	25.10.2005
23	Health and sanitation, including hospitals, primary health centres and dispensaries	25.10.2005
24	Family welfare	25.10.2005
25	Women and Child Development	25.10.2005
26	Social Welfare, including welfare of the handicapped and mentally retarded	25.10.2005
27	Welfare of weaker sections and in particular of the SC and ST	25.10.2005
28	Public Distribution System	25.10.2005
29	Maintenance of community assets	25.10.2005

(Source: Information collected from PR Department)

Appendix 1.2
(Refer Paragraph No. 1.5)

Functions of Standing Committees

Tier	Sl. No.	Subjects under each committee
Zilla Parishad	1	Planning, Finance, Anti-Poverty Programme and Co-ordination
	2	Agriculture, Animal Husbandry, Soil Conservation, Horticulture, Watershed Development and Fisheries
	3	Works, Irrigation, Electricity, Drinking Water Supply and Rural Sanitation
	4	Health, Social Welfare including Women and Child Development
	5	Public Distribution System, Welfare of Weaker Section, Forest, Fuel and Fodder
	6	Handicrafts, Cottage Industry, Khadi and Village Industries and Rural Housing
	7	Education, Sports and Culture
Panchayat Samiti	1	Planning, Finance, Anti-poverty Programme and Coordination
	2	Agriculture, Animal Husbandry, Soil Conservation, Horticulture, Watershed Development and Fisheries
	3	Works, Irrigation, Electricity, Drinking Water Supply and Rural Sanitation
	4	Health, Social Welfare including Women and Child Development
	5	Public Distribution System, Welfare of Weaker Section, Forest, Fuel and Fodder
	6	Handicrafts, Cottage Industry, Khadi and Village Industries and Rural Housing
	7	Education, Sports and Culture
Gram Panchayat	1	Planning, Finance, Anti-poverty Programme and Coordination
	2	Agriculture, Animal Husbandry, Soil Conservation, Horticulture, Watershed Development and Fisheries
	3	Works, Irrigation, Electricity, Drinking Water Supply and Rural Sanitation
	4	Health, Social Welfare including Women and Child Development
	5	Public Distribution System, Welfare of Weaker Section, Forest, Fuel and Fodder
	6	Handicrafts, Cottage Industry, Khadi and Village Industries and Rural Housing
	7	Education, Sports and Culture

(Source: ZP, PS and GP (Constitution of Standing Committee) Rules)

Appendix 2.1

(Refer Paragraph No. 2.1.5.1)

Heat Map showing District-wise details of beneficiaries in the Permanent Wait List (as on March, 2021)

Sl. No.	Name of District	No. of beneficiaries included in the System Generated List	No. of beneficiaries found ineligible by the Gram Sabha	No. of Beneficiaries found eligible by the Gram Sabha	No. of Beneficiaries in the PWL after deletion by the Gram Sabha	No. of Beneficiaries deleted without approval of Gram Sabha
1	Angul	1,25,688	51,062	74,626	46,063	28,563
2	Balasore	2,60,843	60,034	2,00,809	1,25,121	75,688
3	Bargarh	2,16,992	72,450	1,44,542	99,672	44,870
4	Bhadrak	1,81,163	54,910	1,26,253	86,355	39,898
5	Bolangir	2,33,971	48,385	1,85,586	1,42,122	43,464
6	Boudh	76,829	11,777	65,052	49,831	15,221
7	Cuttack	1,81,288	1,02,316	78,972	47,914	31,058
8	Deogarh	33,255	12,110	21,145	13,847	7,298
9	Dhenkanal	1,52,047	64,197	87,850	56,477	31,373
10	Gajapati	49,008	15,021	33,987	15,046	18,941
11	Ganjam	1,42,732	69,886	72,846	44,883	27,963
12	Jagatsinghapur	86,353	58,522	27,831	19,105	8,726
13	Jajpur	2,01,489	92,481	1,09,008	65,400	43,608
14	Jharsuguda	43,485	11,761	31,724	23,912	7,812
15	Kalahandi	1,76,744	50,171	1,26,573	1,02,231	24,342
16	Kandhamal	66,063	28,782	37,281	25,174	12,107
17	Kendrapara	1,80,921	89,668	91,253	56,903	34,350
18	Kendujhar	2,11,347	61,932	1,49,415	1,01,948	47,467
19	Khordha	1,05,202	70,173	35,029	21,042	13,987
20	Koraput	1,01,590	26,901	74,689	54,860	19,829
21	Malkangiri	56,172	22,954	33,218	21,328	11,890
22	Mayurbhanj	3,60,899	63,490	2,97,409	2,17,714	79,695
23	Nabarangapur	1,48,500	31,774	1,16,726	89,324	27,402
24	Nayagarh	1,00,778	47,342	53,436	32,623	20,813
25	Nuapada	86,640	18,610	68,030	55,837	12,193
26	Puri	1,42,045	54,970	87,075	40,553	46,522
27	Rayagada	74,026	12,656	61,370	40,638	20,732
28	Sambalpur	92,665	37,677	54,988	39,459	15,529
29	Sonepur	91,682	20,645	71,037	55,478	15,559
30	Sundargarh	1,92,303	64,633	1,27,670	94,930	32,740
Total		41,72,720	14,27,290	27,45,430	18,85,790	8,59,640

Lower Value

Higher Value

Appendix 2.2

(Refer Paragraph No. 2.1.5.6 (i))

Examples of violation of priority list

Year/ Category	Village/GP	PS/District	Beneficiary with lower PWL Sanctioned house	Beneficiary with higher PWL ignored
2016-17/ ST	Bajargad / Kosagumuda GP	Kosagumuda /Nabarangpur	181 to 184 and 195	4,9,10,11,18 to 20, 23,29,30,34,35,37,40,41, 43,46,49 to 54,57, and 69 to 151.
2016-17/ SC	Khairtani / Kumpapada	Jagannathprasad/ Ganjam	11, 12 and 46-54	10
2016-17/ SC	Kamasaragada of Allasuguma	Jagannathprasad/ Ganjam	16, 22,27, 28...102,114	13
2016-17/ SC	Beguniadiha/ Chadheipalli	Jagannathprasad/ Ganjam	26, 28, 29, 36, 37 and 86	18,34,39
In Attabira Block of Bargarh district in SC category, the priority numbers of 142 beneficiaries (68.27 per cent) were violated out of total 208 beneficiaries during 2016-21. Similarly, in Padampur Block of Bargarh district in OC category, out of total 722 beneficiaries of all the villages, priority violations were made in respect of 621 cases (86.01 per cent) during 2016-21.				

Appendix 2.3
(Refer Paragraph No. 2.1.5.7)

Non-beneficiaries who were sanctioned houses against the beneficiaries registered on AwaasSoft

Sl.N o.	As per AwaasSoft					As per Case Record					Remarks of Audit	
	Beneficia ry ID	Beneficiary Name	Father's Name	Husband's Name	Wife's Name	Beneficiary Name	Father's Name	Husband's Name	Bank Name	Bank A/c No		Payme nt Year
	OR2334406	Dugi Birua	Gara Nayak	--	--	Punam Naik	--	Chandra Mohan Naik	BOI Chata ni	--	2019-20	As per AwaasSoft, the house was sanctioned in favour of Dugi Birua. But the house was sanctioned to Punam Naik w/o Chandra Mohan Naik and all payments were made to Punam Naik.
2	OR2330610	ChampayaNaik	Baya Naik	--	Somabari Nayak	Sini Naik	Soren Barda	Champai Naik	OGB	103734001002565	2019-21	As per AwaasSoft, the house was sanctioned in favour of Champaya Naik, s/o Baya Naik. The wife of Champaya Naik is Somabari Nayak. But it was seen that the work order was issued in favour of Sini Naik, w/o Champai Naik. Further, all the documents like bank account details, aadhar & voter Id of Sini Naik was enclosed in the file and accordingly all the payments were made to her, which was irregular.

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SL.N o.	As per AwaasSoft					As per Case Record					Remarks of Audit	
	Beneficia ry ID	Beneficiary Name	Father's Name	Husband's Name	Wife's Name	Beneficiary Name	Father's Name	Husband's Name	Bank Name	Bank A/c No		Payme nt Year
3	OR12654 21	Kusunu Naik	Sukra Naik	--	Rebati Naik	KuniNaik	JurilalNaik	Kunar Naik	BOI	547610110 009779	2019- 20	As per AwaasSoft, the sanction was made in favour of Kusunu Naik, s/o Sukra Naik and Rebati Naik is also the wife of Kusunu Naik. But as per the case records, work order was issued by the BDO in favour of Kuni Naik, w/o Kunar Naik. Also, all the documents of Kuni Naik were enclosed in the file and accordingly payment was made to her. The same was irregular.
4	OR23261 67	Mata Heambram	Golei Hembram	--	Raimani hembram	Para Hembram	Bikram Naik	Gobind Hembram	BOI	547610110 003065	2016- 19	As per AwaasSoft, the house was sanctioned in favour of Mata Hembram, s/o Golei Hembram. Further Raimani Hembram is the wife of Mata Hembram. But it was seen that the work order was issued in favour of Para Hembram, w/o Gobind Hembram. All the documents of Para Hembram were enclosed in the file and accordingly payments were made to her which is irregular.

Sl.No.	As per AwaasSoft					As per Case Record					Remarks of Audit	
	Beneficiary ID	Beneficiary Name	Father's Name	Husband's Name	Wife's Name	Beneficiary Name	Father's Name	Husband's Name	Bank Name	Bank A/c No		Payment Year
5	OR1326340	Nandi Naik	Saju Naik	--	--	Dagi Naik	--	Jena Naik	BGB	103710410000578	2019-20	As per AwaasSoft, the house was sanctioned in favour of Nandi Naik, d/o Saju Naik. But the work order was issued in favour of Dagi Naik, w/o Jena Naik. Also, the documents of Dagi Naik were enclosed in the case records. Accordingly, payments were also made to Dagi Naik, which is irregular.
6	OR2358603	Jena Naik	--	--	--	Jenaram Samad	Gurucharan Samad	--	OGB	103710400003430	2019-20	As per AwaasSoft, the house was sanctioned to Jena Naik. But the work order was issued in favour of Jenaram Sambad, s/o Gurucharan Sambad. The documents of Jenaram Sambad were also enclosed in the case records. Accordingly, the payments were made to Jenaram Sambad, which was irregular.

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Sl.No.	As per AwaasSoft					As per Case Record					Remarks of Audit	
	Beneficiary ID	Beneficiary Name	Father's Name	Husband's Name	Wife's Name	Beneficiary Name	Father's Name	Husbands Name	Bank Name	Bank A/c No		Payment Year
7	OR2246514	Sundari Naik	Chitan Naik	--	--	Kunchi Naik	Deja Naik	Jandai Naik	BOI	545610110009716	2017-19	As per AwaasSoft, the beneficiary is Sundari Naik, d/o Chitan Naik, Accordingly, the BDO also issued work order in favour of Sundari Nayak. Further, it was seen that all documents, like Voter Id, Bank account details & Aadhar card of Kunchi Nayak, d/o Deja Naik, w/o Jandai Naik, were enclosed in the same file. Also, all the payments were made to Kunchi Naik, instead of Sundari Naik, to whom the house was sanctioned, which was irregular. Lastly, Kunchi Naik was not in the family details of Sundari Naik, as per AwaasSoft data.
8	OR2367460	Salge Hansda	Durga Marandi	Bhima Hansdah	--	Sohagi Hansda	Rama Baskey	Bhim Hansada	OGB	103734006002817	2019-21	As per AwaasSoft data, the house was sanctioned to Salge Hansda, D/o Durga Marandi, whereas the case records contain the records of Sohagi Hansada, d/o Rama Baskey. Accordingly, payments were made in favour of Sohagi Hansda, instead of Salge Hansda.

SL.N o.	As per AwaasSoft					As per Case Record					Remarks of Audit	
	Beneficia ry ID	Beneficiary Name	Father's Name	Husband's Name	Wife's Name	Beneficiary Name	Father's Name	Husband's Name	Bank Name	Bank A/c No		Payme nt Year
9	OR1252585	Ashamani Nayak	Shihari Nayak	Sadashiba Nayak	--	Ninimani Nayak	Sudarshan Nayak	Jatindra Nayak	BOI	547610110004913	2019-21	As per AwaasSoft, the beneficiary is Ashamani Nayak, D/o-Shihari Nayak, w/o Sadasiva Nayak, whereas the work order was issued in favour of Ninimani Nayak, d/o Sudarshan Nayak & w/o Jatindra Nayak. Also, all documents like Aadhar, Bank account & voter Id details of Ninimani Nayak were enclosed in the case records. Further, all payments were made to Ninimani Nayak. Lastly, Ninimani Nayak was not in the family details of Ashamani Nayak, as per AwasSoft data.
10	OR2250034	Gaura Mandhi	Raju Najhi	--	--	Kaluram Marndi	Raju Marndi	--	BOI	547610110004506	2017-19	As per AwaasSoft, the house was sanctioned in favour of Gaura Mandhi, s/o Raju Najhi. Accordingly, the work order was issued in favour of Gaur Majhi, s/o Raju Majhi. But it was seen that all the documents, like Aadhar, voter ID & Bank account details, of Sri Kaluram Marndi, were enclosed in the file. Accordingly, payments were also made to Kaluram Marndi, which was irregular.

Audit Report (Local Bodies) for the year ended March 2021

SL.No.	As per AwaasSoft					As per Case Record					Remarks of Audit	
	Beneficiary ID	Beneficiary Name	Father's Name	Husband's Name	Wife's Name	Beneficiary Name	Father's Name	Husband's Name	Bank Name	Bank A/c No		Payment Year
11	OR2368602	Binad Nayak	Ratikanta Nayak	--	Banita Mahakud	Padmabati Nayak	Sitaram Nayak	Ratikan Nayak	BOI	547610610000305	2017-19	As per AwaasSoft, the house was sanctioned in favour of Binad Nayak, s/o Ratikanta Nayak, The wife of Binad Nayak was Banita Mahakud. Further, it was seen that the work order was issued in favour of Padmabati Nayak, d/o Sitaram Nayak & w/o Ratikanta Nayak. Again, the case records contain all the documents of Padmabati Nayak and, accordingly, payments were made to her. Issue of work order to another person and making payments to her, was irregular.
12	OR4616567	Bhakta Disari (Patkhali GP of Chandahandi Block)	Ram Disari	--	--	Bhaga Disari	Tila Disari	--	--	--	2019-21	As per AwaasSoft, the house was sanctioned in favour of Bhakta Disari s/o Ram Disari. However, the work order was issued in the name of Bhaga Disari, s/o Tila Disari.
13	OR1034141	Bibhishan Kumbhar	Motilal Kumbhar	--	--	Ukia Kumbhar	--	--	--	--	2019-21	As per AwaasSoft, the house was sanctioned in favour of Bibhishan Kumbhar, s/o Motilal Kumbhar, but the house was allotted to Ukia Kumbhar (step mother of the beneficiary)

Appendix 2.4
(Refer Paragraph No. 2.1.5.10 (ii))

Beneficiaries-cum-Masons tagged with other houses during the same period when their own houses were under construction

Sl. No.	Name of the Block	Name of Mason those were PMAY beneficiaries also	Beneficiary Id	Houses to which the mason cum beneficiary tagged	Duration of tagging		Other masons attached to the beneficiary house during same period	
					From	To	From	To
1	Bisoi	Dangi Murmu	OR1254034	Sara Majhi, OR2354833	05.03.2020	14.03.2020	05.03.2020	14.03.2020
2	Bisoi	Ramchandra Baskey	OR1377198	Braja Murmu, OR2344669	05.03.2020	14.03.2020	05.03.2020	14.03.2020
3	Bisoi	Chaitan Marndi	OR1304417	Basanti Soren, OR1307453	05.03.2020	14.03.2020	05.03.2020	14.03.2020
4	Bisoi	Dhuma Baskey	OR1365719	Jashmi Baskey, OR1325937	20.06.2020	03.08.2020	20.06.2020	03.08.2020
5	Bisoi	Rama naik	OR1349403	Karan Baskey, OR1369044, Padmabati Naik, OR1327658, Raibari Naik, OR2362489	20.06.2020	03.08.2020	20.06.2020	03.08.2020
6	Bisoi	Jauna Hembram	OR1312537	Dagu Hansdah, OR2362110	20.06.2020	03.08.2020	20.06.2020	03.08.2020
7	Bisoi	Fulamani Murmu	OR1312530	Bidesi Bindhani, OR1324416, Baidhara Naik, OR13879839	20.06.2020	03.08.2020	20.06.2020	03.08.2020
8	Bisoi	Chandrai Murmu	OR1330687	Jiramani Soren, OR1390770	20.06.2020	03.08.2020	20.06.2020	03.08.2020
9	Bisoi	Sakra Baskey	OR1329148	Dhuma Baskey, OR1365719	20.06.2020	03.08.2020	20.06.2020	03.08.2020
10	Bijatala	Laxmidhar Marndi	OR1262075	Roni Hembram, OR1268685	03.03.2020	12.03.2020	03.03.2020	12.03.2020
				Bisu Soren, OR1245858	03.03.2020	12.03.2020	03.03.2020	12.03.2020
11	Bijatala	Phudan Tudu	OR125768	Parau Hansda, OR1262063	03.03.2020	12.03.2020	03.03.2020	12.03.2020
				Self-House	03.03.2020	12.03.2020	03.03.2020	12.03.2020
12	Bijatala	Mahendra Baskey	OR1245307	Self-House	03.03.2020	12.03.2020	03.03.2020	12.03.2020
				Bajinath Soren, OR1262061	03.03.2020	12.03.2020	03.03.2020	12.03.2020
				Kunjalihari Raj, OR1240849	03.03.2020	12.03.2020	03.03.2020	12.03.2020
				Yudhistir Raj, OR1240859	03.03.2020	12.03.2020	03.03.2020	12.03.2020
13	Bijatala	Mahendra Marandi	OR1256403	Self-House	17.07.2020	30.08.2020	17.07.2020	30.08.2020

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				Phular Tudu, OR2354270	17.07.2020	30.08.2020	17.07.2020	30.08.2020
				Ganeswar Murmu, OR1263957	17.07.2020	30.08.2020	17.07.2020	30.08.2020
				Phanta Murmu, OR1329297	17.07.2020	30.08.2020	17.07.2020	30.08.2020
				Thakura Marandi, OR1265580	17.07.2020	30.08.2020	17.07.2020	30.08.2020
14	Bijatala	Binod Soren	OR1225708	Self-House	03.11.2020	17.12.2020	03.11.2020	17.12.2020
				Laxmi Murmu, OR1261227	03.11.2020	17.12.2020	03.11.2020	17.12.2020
				Gandhai Murmu, OR1263311	03.11.2020	17.12.2020	03.11.2020	17.12.2020
15	Bijatala	Kisun Hansda	OR1343447	Self-House	03.11.2020	17.12.2020	03.11.2020	17.12.2020
				Salma Hansda, OR1246804	03.11.2020	17.12.2020	03.11.2020	17.12.2020

Appendix 2.5

(Refer Paragraph No. 2.1.5.10 (ii))

Beneficiaries who were shown as working in the PMAY-G, as well as in the MGNREGS, during the same time period

Sl. No.	Name of the Block	Names of masons who were PMAY beneficiaries also	Duration of tagging		Period of for which wages were paid under MGNREGS	
			From	To	From	To
1	Bisoi	Ramchandra Baskey	05.03.2020	14.03.2020	07.03.2020	27.03.2020
2	Bisoi	Chaitan Marndi	05.03.2020	14.03.2020	07.03.2020	27.03.2020
3	Bisoi	Dhuma Baskey	20.06.2020	03.08.2020	02.07.2020	08.07.2020
4	Bisoi	Jauna Hembram	20.06.2020	03.08.2020	20.06.2020	19.07.2020
					23.07.2020	05.08.2020
5	Bisoi	Fulamani Murmu	20.06.2020	03.08.2020	02.07.2020	08.07.2020
					02.08.2020	29.08.2020
6	Bisoi	Chandrai Murmu	20.06.2020	03.08.2020	02.07.2020	15.07.2020
					28.07.2020	10.08.2020
7	Bisoi	Sakra Baskey	20.06.2020	03.08.2020	02.07.2020	08.07.2020
					02.08.2020	15.08.2020
8	Bijatala	Trinath Dhir	3.11.2020	17.12.2020	31.10.2020	05.11.2020
9	Bijatala	Salkhu Marndi	17.07.2020	30.08.2020	01.08.2020	07.08.2020
10	Bijatala	Rupai Hansdah	12.01.2021	25.02.2021	23.01.2021	05.02.2021
					08.01.2021	21.01.2021
11	Bijatala	Niranjani Munda	17.07.2020	30.08.2020	07.07.2020	20.07.2020
12	Bijatala	Naran Soren	12.01.2021	25.02.2021	23.01.2021	05.02.2021
					08.01.2021	21.01.2021
13	Bijatala	Mukund Behera	12.01.2021	25.02.2021	08.01.2021	14.01.2021
14	Bijatala	Mayadhar Dhir	03.11.2020	17.12.2020	20.11.2020	26.11.2020
15	Bijatala	Kama Charan Tudu	17.07.2020	30.08.2020	19.08.2020	25.08.2020
16	Bijatala	Kali Charan Tudu	08.03.2021	28.04.2021	15.03.2021	22.03.2021
17	Bijatala	Dhanu Marandi	08.03.2021	28.04.2021	16.03.2021	29.03.2021
					22.04.2021	28.04.2021
18	Bijatala	Banamali Das	17.07.2020	30.08.2020	23.07.2020	29.07.2020
					07.08.2020	13.08.2020
19	Bijatala	Ananta Kumar Hansda	17.07.2020	30.08.2020	12.08.2020	18.08.2020
					19.08.2020	25.08.2020
20	Bisoi	Kandra Hansdah	05.03.2020	14.03.2020	07.03.2020	27.03.2020
21	Bisoi	Rasananda Hansdah,	20.06.2020	03.08.2020	01.07.2020	07.07.2020
22	Bisoi	Bhadu Murmu	20.06.2020	03.08.2020	13.07.2020	09.08.2020

Appendix 2.6

(Refer Paragraph No.2.1.6.2)

District-wise details of completed and incomplete houses under PMAY-G, during FYs 2016-17 to 2020-21

Sl. No.	District Name	Registered	Sanctioned with geotagging of houses	Total number of houses completed	Percentage of houses completed	Percentage of incomplete houses
1	Angul	43,380	42,073	38,370	91.20	8.80
2	Balasore	1,18,386	1,16,132	89,449	77.02	22.98
3	Bargarh	99,587	94,864	78,105	82.33	17.67
4	Bhadrak	85,997	85,680	69,784	81.45	18.55
5	Bolangir	1,41,301	1,40,946	1,24,168	88.10	11.90
6	Boudh	49,638	49,504	37,342	75.43	24.57
7	Cuttack	47,160	46,449	42,691	91.91	8.09
8	Deogarh	13,824	13,386	12,403	92.66	7.34
9	Dhenkanal	56,468	56,176	53,343	94.96	5.04
10	Gajapati	15,045	14,986	12,963	86.50	13.50
11	Ganjam	44,176	43,788	41,920	95.73	4.27
12	Jagatsinghapur	18,226	17,867	15,747	88.13	11.87
13	Jajpur	60,571	60,119	53,940	89.72	10.28
14	Jharsuguda	23,878	23,774	23,163	97.43	2.57
15	Kalahandi	1,02,208	1,01,576	77,496	76.29	23.71
16	Kandhamal	25,165	25,158	24,014	95.45	4.55
17	Kendrapara	56,515	55,583	44,163	79.45	20.55
18	Kendujhar	1,00,774	1,00,520	86,896	86.45	13.55
19	Khordha	19,898	19,582	18,127	92.57	7.43
20	Koraput	54,855	54,797	50,880	92.85	7.15
21	Malkangiri	21,190	21,185	19,817	93.54	6.46
22	Mayurbhanj	2,16,696	2,12,297	1,72,923	81.45	18.55
23	Nabarangapur	89,226	88,645	77,623	87.57	12.43
24	Nayagarh	31,954	31,186	28,471	91.29	8.71
25	Nuapada	55,778	55,689	44,629	80.14	19.86
26	Puri	40,539	40,527	34,935	86.20	13.80
27	Rayagada	38,023	37,608	33,030	87.83	12.17
28	Sambalpur	39,448	39,347	39,087	99.34	0.66
29	Sonepur	55,477	53,486	44,048	82.35	17.65
30	Sundargarh	94,929	94,747	89,628	94.60	5.40
	Total	18,60,312	18,37,677	15,79,155	85.93	14.07

Appendix 2.7
(Refer Paragraph No. 2.1.6.5)
Beneficiaries who constructed houses with large areas and the houses remained incomplete

Sl. No.	District	Block	GP	Village	Beneficiary name	Beneficiary ID	Area of Construction (sq. mtr.)	Status of Construction	Total Amount released (in ₹)
1	Bargarh	Atabira	Kharamura	Juugaon	Seshadeba Bhue	OR1115977	48.77	Plinth Level	50,000
2	Bargarh	Bhatli	Kamgaon	Karlajori	Tripura Naik	OR1091192	83.61	Lintel Level	90,000
3	Bargarh	Bhatli	Kamgaon	Karlajori	Sanjay Ranbindha	OR1158917	42.09	Plinth Level	50,000
4	Bargarh	Padampur	Melchhamunda	Belmunda	Chudamani Pandey	OR1101651	76.92	Lintel Level	50,000
5	Bargarh	Padampur	Melchhamunda	Belmunda	Gunamani Pandey	OR1101652	54.63	Plinth Level	50,000
6	Bargarh	Padampur	Melchhamunda	Te Lmahul	Harapat Bhoi	OR1086007	38.83	Lintel Level	20,000
7	Bargarh	Padampur	Gyan	Gyan	Subasa Bariha	OR1658555	61.97	Roof Level	90,000
8	Bargarh	Padampur	Gyan	Gyan	Pita Sahu	OR1084239	88.44	Roof Level	90,000
9	Bargarh	Padampur	Gyan	Dhauramunda	Souklal Sahu	OR1640696	58.06	Plinth Level	50,000
10	Bolangir	Loisingha	Banipali	Babja	Baisnaba Bariha	OR4095146	30.19	Roof Level	1,00,000
11	Bolangir	Loisingha	Banipali	Dandpani	Bhagabati Deep	OR4266812	44.97	Roof Level	55,000
12	Bolangir	Loisingha	Jogisurda	Chhelbahal	Rasheswari Bhoi	OR4106843	72.09	Roof Casted	1,00,000
13	Bolangir	Puintala	Daspur	Kutenpali	Kirati Nag	OR4202323	59.46	Plinth Level	55,000
14	Bolangir	Puintala	Daspur	Kutenpali	Bhagirathi Barik	OR4196624	40.88	Plinth Level	55,000
15	Bolangir	Puintala	Khaliapali	Chhemtala	Baishakhu Mahakur	OR4242004	47.01	Plinth Level	55,000
16	Bolangir	Puintala	Khaliapali	Chhemtala	Sadhu mahakur	OR4242001	46.45	Plinth Level	55,000
17	Bolangir	Puintala	Randa	Randa	Nabin Kumar Biswal	OR4231593	43.94	Plinth Level	55,000
18	Bolangir	Titlagarh	Mahulpada	Mahulpada	Anusaya Chandan	OR4154725	46.08	Roof Level	1,00,000
19	Bolangir	Titlagarh	Manigaon	Bhuslad	Madana Banchhor	OR4177314	44.31	Lintel Level	20,000
20	Bolangir	Titlagarh	Manigaon	Bhuslad	Shobharam Banchhor	OR4208306	44.31	Lintel Level	55,000
21	Bolangir	Titlagarh	Parasara	Diatan	Jalandhar Bhoi	OR4097955	61.32	Plinth Level	20,000
22	Dhenkanal	Hindol	Kunua	Kunua	Alli Naik	OR3319749	83.61	Lintel Level	50,000
23	Dhenkanal	Hindol	Kunua	Kunua	Jahna Samal	OR3278721	32.52	Roof Level	90,000

Sl. No.	District	Block	GP	Village	Beneficiary name	Beneficiary ID	Area of Construction (sq. mtr.)	Status of Construction	Total Amount released (in ₹)
24	Dhenkanal	Hindol	Kunua	Kunua	Narayan Samal	OR3344765	39.02	Plinth Level	50,000
25	Dhenkanal	Hindol	Gulehi	Bongu	Subash Nayak	OR3264656	37.16	Roof Level	90,000
26	Dhenkanal	Hindol	Gulehi	Bongu	Duari Sahoo	OR3265891	65.03	Roof Level	50,000
27	Dhenkanal	Hindol	Gulehi	Gulehi	Prabhakar Sahu	OR3270393	32.52	Roof Level	90,000
28	Dhenkanal	Hindol	Babandha	Bedapada	Sujan Naik	OR3392476	55.74	Roof Level	90,000
29	Dhenkanal	Hindol	Babandha	Bedapada	Trilochan Naik	OR3357667	41.81	Roof Level	90,000
30	Dhenkanal	Gondia	Letheka	Ria	Jasoda Behera	OR3341814	46.45	Lintel Level	50,000
31	Dhenkanal	Gondia	Letheka	Letheka	Anasuya Mohanty	OR3338036	139.35	Lintel Level	50,000
32	Dhenkanal	Gondia	Letheka	Letheka	Bharati Swain	OR3338020	74.32	Plinth Level	50,000
33	Dhenkanal	Gondia	Letheka	Ria	Tiki Behera	OR3343406	37.16	Lintel Level	50,000
34	Dhenkanal	Gondia	Khandabandha	Khandabandha	Mamina Behera	OR3273634	32.52	Roof Level	90,000
35	Dhenkanal	Gondia	Khandabandha	Purunamanga	Malati Pal	OR3363476	32.52	Lintel Level	50,000
36	Dhenkanal	Bhuban	Dayanabil	Kanheipal	Chhabi Nayak	OR3350707	32.52	Lintel Level	50,000
37	Dhenkanal	Bhuban	Dayanabil	Kanheipal	Rukuna Patra	OR3389814	32.52	Plinth Level	50,000
38	Dhenkanal	Bhuban	Balibo	Anantapur	Uday Rout	OR3276806	37.16	Roof Level	90,000
39	Mayurbhanj	Badasahi	Chandanpur	Jalananda	Chaetanya Soren	OR1173687	55.74	Lintel Level	1,00,000
40	Mayurbhanj	Badasahi	Naupal	Narankhunta	Biswanath Mohapatra	OR1265102	32.52	Roof Level	55,000
41	Mayurbhanj	Badasahi	Naupal	Astahjaran	Akshaya Kumar Mohanta	OR1360209	83.61	Roof Casted	1,00,000
42	Mayurbhanj	Badasahi	Managobindpur	Mirigadari	Bharata Ch. Mohanta	OR1209054	46.45	Lintel Level	1,00,000
43	Mayurbhanj	Badasahi	Managobindpur	Adiasahi	Pratap Lakshmidhar Mahalik	OR1181043	55.74	Plinth Level	55,000
44	Mayurbhanj	Badasahi	Managobindpur	Adiasahi		OR1375390	55.74	Roof Level	1,00,000
45	Mayurbhanj	Bisoi	Bautibeda	Mahubhandar	Malli Patra	OR2353569	74.32	Roof Level	1,00,000
46	Mayurbhanj	Bisoi	Khadambada	Panduda	Rohi Das Singh	OR1268021	37.16	Roof Level	1,00,000
47	Mayurbhanj	Bijatala	Raihari	Raihari	Bhabasindhu Nayak	OR1356322	74.32	Roof Level	1,00,000
48	Mayurbhanj	Bijatala	Raihari	Tulasibani	Salakhu Tudu	OR2360743	74.32	Roof Level	1,00,000
49	Nabarangapur	Kosagumuda	Panduguda	Dangachua	Hemedhar Bhatra	OR4614242	51.10	Lintel Level	55,000
50	Nabarangapur	Kosagumuda	Panduguda	Panduguda	Krushna Ganda	OR4664554	49.52	Lintel Level	1,00,000

Sl. No.	District	Block	GP	Village	Beneficiary name	Beneficiary ID	Area of Construction (sq. mtr.)	Status of Construction	Total Amount released (in ₹)
51	Nabarangapur	Kosagumuda	Panduguda	Dangachua	Dambaru Santa	OR4614403	77.76	Roof Level	1,00,000
52	Nabarangapur	Kosagumuda	Panduguda	Dangachua	Sweta Bhadra	OR4614262	46.45	Roof Level	1,00,000
53	Nabarangapur	Kosagumuda	Panduguda	Kandapuri	Dhanurjay Bhatra	OR4633388	30.66	Lintel Level	1,00,000
54	Nabarangapur	Kosagumuda	Santoshpur	Bansuli	Kamala Pujari	OR4699592	32.70	Roof Level	1,00,000
55	Nabarangapur	Kosagumuda	Santoshpur	Bansuli	Raimati Bisoi	OR4676054	32.05	Roof Level	1,00,000
56	Nabarangapur	Kosagumuda	Santoshpur	Ghodadhunua	Sankar Bhatara	OR4644840	55.74	Roof Level	1,00,000
57	Nabarangapur	Kosagumuda	Santoshpur	Santoshpur	Dhana Ganda	OR4704274	32.70	Roof Level	1,00,000
58	Nabarangapur	Kosagumuda	Santoshpur	Kodabhata	Parbati Bisoi	OR4713862	34.75	Lintel Level	55,000
59	Nabarangapur	Kosagumuda	Kosagumuda	Bajargad	Sukchand Ganda	OR4745994	38.65	Lintel Level	1,00,000
60	Nabarangapur	Kosagumuda	Kosagumuda	Gengaraguda	Ninimani Harijan	OR4703427	45.89	Roof level	1,30,000
61	Nabarangapur	Kosagumuda	Kosagumuda	Kosagumuda	Dhanurjay Harijan	OR4665608	50.73	Roof Level	55,000
62	Nabarangapur	Jhari gaom	Palia	Ramsa	Ratana Goud	OR4615019	44.97	Roof Level	1,00,000
63	Nabarangapur	Jhari gaom	Palia	Ramsa	Lachhandei Majhi	OR4738903	44.59	Lintel Level	55000
64	Nabarangapur	Jhari gaom	Palia	Ramsa	Chati majhi	OR 4738907	30.66	Lintel Level	1,00,000
65	Nabarangapur	Jhari gaom	Palia	Ramsa	Suresh Harijan	OR 4728982	62.43	Lintel Level	1,00,000
66	Nabarangapur	Jhari gaom	Palia	Ramsa	Jalendhar Harijan	OR 4728984	86.21	Plinth Level	55,000
67	Nabarangapur	Jhari gaom	Chakalapadar	Dukulikote	Narendra Majhi	OR4695359	29.26	Roof Level	1,00,000
68	Nabarangapur	Jhari gaom	Chakalapadar	Chakalapadar	Tafan Chatra	OR4623467	32.70	Roof level	1,00,000
69	Nabarangapur	Jhari gaom	Chakalapadar	Chakalapadar	Bhajanti chatra	OR4636648	44.59	Lintel Level	1,00,000
70	Nabarangapur	Jhari gaom	Banuaguda	Gumioda	Gora Goud	OR4756067	44.87	Roof Level	55,000
71	Nabarangapur	Jhari gaom	Banuaguda	Gumioda	Amar Goud	OR4738107	42.92	Roof level	1,30,000
72	Nabarangapur	Jhari gaom	Banuaguda	Gumioda	Admu Gaud	OR4686455	59.27	Roof Level	1,00,000
73	Nabarangapur	Jhari gaom	Banuaguda	Gumioda	Tularam Majhi	OR4734963	27.87	Foundation level	55,000
74	Nabarangapur	Jhari gaom	Banuaguda	Banuaguda	Laxmichandra Goud	OR4699425	50.73	Lintel Level	55,000
75	Nabarangapur	Chandahandi	Anakabeda	Chakamal	Bhakti Suna	OR4628382	42.64	Roof level	1,00,000
76	Nabarangapur	Chandahandi	Anakabeda	Chakamal	Subhadra Suna	OR4628385	42.64	Roof level	1,00,000
77	Nabarangapur	Chandahandi	Anakabeda	Chakamal	Purunsingh Nag	OR4628269	46.82	Roof level	1,00,000
78	Nabarangapur	Chandahandi	Anakabeda	Chakamal	Trinathanetam	OR4628358	32.52	Roof Level	1,30,000
79	Nabarangapur	Chandahandi	Dhodipani	Dhodipani	Shashidhar Jagat	OR4683661	28.61	Roof Level	1,00,000

Sl. No.	District	Block	GP	Village	Beneficiary name	Beneficiary ID	Area of Construction (sq. mtr.)	Status of Construction	Total Amount released (in ₹)
80	Nabarangapur	Chandahandi	Dhodipani	Dhodipani	Karna Jagat	OR4642828	41.62	Roof Level	1,00,000
81	Nabarangapur	Chandahandi	Dhodipani	Dhodipani	Nilachal Nayak	OR4729782	31.22	Roof level	1,00,000
82	Nabarangapur	Chandahandi	Pathalia	Bandhokona	Faganu Sori	OR4749831	46.82	Lintel Level	55,000
83	Nabarangapur	Chandahandi	Pathalia	Bandhokona	Kasinath Nayak	OR4695776	34.19	Lintel Level	1,00,000
84	Puri	Kanas	Gada sanaput	Gada sanaput	Basanti Bahubalendra	OR5342249	74.32	Roof Level	50,000
85	Puri	Kanas	Gada sanaput	Mandarabasta	Balamani Palei	OR5250415	148.64	Roof Level	90,000
86	Puri	Kanas	Bindhan	Balipada	Subrat Parida	OR5306148	37.63	Plinth Level	50,000
87	Puri	Kanas	Bindhan	Golara	Bilasi Samantray	OR5280851	34.84	Roof Level	90,000
88	Puri	Kanas	Bindhan	Bindhan	Suresh Baral	OR5297666	55.74	Plinth Level	50,000
89	Puri	Kanas	Bindhan	Bindhan	Debaraj Moharana	OR5307872	41.81	Plinth Level	50,000
90	Puri	Kanas	Gada badaput	Badaput	Kalpana Martha	OR5260673	27.87	Plinth Level	50,000
91	Puri	Kanas	Gada badaput	Behenta	Arijuna Patalsingh	OR5241282	29.73	Plinth Level	20,000
92	Puri	Kanas	Gada badaput	Badaput	Sabita Swain	OR5235910	27.87	Plinth Level	50,000
93	Puri	Krushnaprasad	Alanda	Jamuna	Kartik Sahoo	OR5336254	41.81	Roof Level	50,000
94	Puri	Krushnaprasad	Alanda	Jamuna	Gobinda Pradhan	OR5336163	29.73	Not started	20,000
95	Puri	Krushnaprasad	Alanda	Jamuna	Balmiki Sahoo	OR5221136	40.13	Lintel Level	50,000
96	Puri	Krushnaprasad	Alanda	Jamuna	Kulamani Sahoo	OR5336167	41.81	Lintel Level	50,000
97	Puri	Krushnaprasad	Siandi	Anua	Mangu Barik	OR5220867	61.32	Plinth Level	50,000
98	Puri	Krushnaprasad	Siandi	Anua	Santosh Kr Das	OR5285029	111.48	Lintel Level	50,000
99	Puri	Krushnaprasad	Manika	Mirjapur	Pabana Behera	OR5305564	46.45	Roof level	90,000
100	Puri	Kakatpur	Lataharan	Lataharan	Pramod Kr. Ojha	OR5300635	39.86	Roof Level	90,000
101	Puri	Kakatpur	Lataharan	Lataharan	Rabi Das	OR5294001	27.87	Roof Level	90,000
102	Puri	Kakatpur	Lataharan	Hatasahi	Laxmi Gochhayat	OR5268295	27.87	Plinth Level	50,000
103	Puri	Kakatpur	Abadan	Aruhan	Sobharani Biswal	OR5264622	46.45	Lintel Level	90,000
104	Puri	Kakatpur	Abadan	Aruhan	Dhadeswar Biswal	OR5222383	86.21	Plinth Level	20,000
105	Puri	Kakatpur	Abadan	Aruhan	Ramakant Biswal	OR5255847	55.74	Lintel Level	50,000
106	Puri	Kakatpur	Abadan	Kantimal	Purnachandra Biswal	OR5266017	36.42	Roof level	90,000
107	Puri	Kakatpur	Kantapara	Gahmaripada	Bansidhar Kandi	OR5336369	27.87	Plinth Level	50,000
108	Puri	Kakatpur	Kantapara	Gahmaripada	Jatani Mallick	OR5243558	27.87	roof level	90,000

Sl. No.	District	Block	GP	Village	Beneficiary name	Beneficiary ID	Area of Construction (sq. mtr.)	Status of Construction	Total Amount released (in ₹)
109	Puri	Kakatpur	Kantapara	Balara	Sarat Ch. Das	OR5319326	34.84	Lintel Level	90,000
110	Sonepur	Sonepur	Kalapathar	Kabattalai	Sambhu Bagh	OR4027102	27.87	Roof level	55,000
111	Sonepur	Sonepur	Kalapathar	Kabattalai	Subidha/ Subhadra Bagh	OR3999960	55.28	Roof level	55,000
112	Sonepur	Sonepur	Kalapathar	Kabattalai	Baral Suna	OR3990262	30.66	Plinth Level	55,000
113	Sonepur	Sonepur	Baladi	Baladi	Surya Pradhan	OR4021715	34.84	Plinth Level	55,000
114	Sonepur	Sonepur	Baladi	Dunguripalli	Sadhuram Kalata	OR3990060	32.05	Roof level	20,000
115	Sonepur	Sonepur	Baladi	BudeIbahali	Maheswata Bhue	OR4004616	30.66	Roof level	1,00,000
116	Sonepur	Sonepur	Baladi	BudeIbahali	Ullash Mahananda	OR4004553	27.87	Roof level	55,000
117	Sonepur	Sonepur	Khaliapali	Khaliapali	Laxman Sandha	OR3997390	51.10	Roof level	55,000
118	Sonepur	Sonepur	Khaliapali	Khaliapali	Anuri Sandha	OR3997389	58.53	Lintel Level	20,000
119	Sonepur	Sonepur	Khaliapali	Khaliapali	Paleswar Bagarthy	OR4019467	50.17	Roof level	55,000
120	Sonepur	Sonepur	Khaliapali	Govindpur	Pitamber Kathar	OR3985246	37.16	Lintel Level	55,000
121	Sonepur	Biramaharajpur	Kamira	Lakhani	Nimai Ch. Loha	OR4022505	46.45	Roof level	55,000
122	Sonepur	Biramaharajpur	Kamira	Bikalpur	Makardhwaj Badi	OR3987350	48.31	Roof level	1,00,000
123	Sonepur	Biramaharajpur	Kamira	Kamira	Kuru Badi	OR4027024	27.87	Lintel Level	95,000
124	Sonepur	Biramaharajpur	Kamira	Kamira	Sabha Bhoi	OR4030846	27.87	Lintel Level	55,000
125	Sonepur	Biramaharajpur	Pitamahul	Pitamahul	Dukhu Naik	OR4032196	29.26	Lintel Level	55,000
126	Sonepur	Biramaharajpur	Pitamahul	Pitamahul	Shiba Gauria	OR3983538	27.87	Roof level	1,00,000
127	Sonepur	Biramaharajpur	Pitamahul	Pitamahul	Kamin Badhia	OR3968058	33.45	Roof level	1,00,000
128	Sonepur	Biramaharajpur	Pitamahul	Pitamahul	Sushanta Chhanda	OR3980166	30.66	Plinth Level	55,000
129	Sonepur	Biramaharajpur	Ufula	Kamalpur	Santosh Naik	OR3993554	61.32	Roof level	55,000
130	Sonepur	Biramaharajpur	Ufula	Kamalpur	Praful Naik	OR3993553	61.32	Roof level	55,000
131	Sonepur	Biramaharajpur	Ufula	Kamalpur	Dasarath Meher	OR4015120	111.48	Lintel Level	55,000
132	Sonepur	Dunguripali	Samaleichuan	Pankel	Padmalochan Panda	OR4024480	111.48	Roof level	55,000
133	Sonepur	Dunguripali	Samaleichuan	Pankel	Mahima Barik	OR3993389	41.81	Plinth Level	55,000
134	Sonepur	Dunguripali	Samaleichuan	Pankel	Alekh Sahu	OR3992794	139.35	Roof level	55,000
135	Sonepur	Dunguripali	Samaleichuan	Salepali	Jagadish Nag	OR3992652	37.16	Plinth Level	55,000
136	Sonepur	Dunguripali	Cherupali	Kushamal	Surendra Ghibila	OR3985829	55.74	Lintel Level	55,000
137	Sonepur	Dunguripali	Cherupali	Kushamal	Dolamani Ghibila	OR3985830	74.32	Plinth Level	55,000
138	Sonepur	Dunguripali	Cherupali	Kushamal	Bishakha Ghibila	OR4011176	34.84	Roof level	55,000

Audit Report (Local Bodies) for the year ended March 2021

Sl. No.	District	Block	GP	Village	Beneficiary name	Beneficiary ID	Area of Construction (sq. mtr.)	Status of Construction	Total Amount released (in ₹)
139	Sonepur	Dunguripali	Cherupali	Kushamal	Rukuni Sagar	OR3985931	27.87	Roof level	55,000
140	Sonepur	Dunguripali	Kapasira	Kapasira	Ala Nag	OR4000973	37.16	Roof level	1,00,000
141	Sonepur	Dunguripali	Kapasira	Kapasira	Bhisma Nag	OR3958863	37.16	Roof level	1,00,000
142	Sonepur	Dunguripali	Kapasira	Kapasira	Kirtan Swain	OR4033765	53.51	Roof Level	1,00,000
143	Sonepur	Dunguripali	Kapasira	Kapasira	Chandrasekhar Pradhan	OR4031992	83.61	Roof Level	1,00,000

Appendix 2.8**(Refer Paragraph No. 2.1.7.1)****District-wise shortfall in provision of person-days to PMAY-G beneficiaries**

Name of the test-checked Districts	Required Person-days to be provided	Actual average of Person-days provided	Shortfall in provision of Person-days
Dhenkanal	90	83	7
Mayurbhanj	95	84	11
Ganjam	95	85	10
Nawarangpur	95	79	16
Puri	90	69	21
Subarnapur	95	76	19
Baragarh	90	78	12
Bolangir	95	72	23

Appendix 2.9

(Refer Paragraph No. 2.1.8.6)

Details of administrative fund not refunded to SNA

Name of the Audited Unit	Amount Refunded to SNA (₹ in Lakh)	Balance Amount as on date of Audit (₹ in Lakh)
Project Director, DRDA, Bargarh	110.87	200.47
Project Director, DRDA, Bolangir	617.77	0
Project Director, DRDA, Dhenkanal	418.32	14.53
Project Director, DRDA, Ganjam	0	2172.49
Project Director, DRDA, Mayurbhanj	900	78.01
Project Director, DRDA, Nabarangapur	0	872.94
Project Director, DRDA, Puri	29.40	1637.67
Project Director, DRDA, Sonepur	266.41	23.09
Sub total	2342.77	4999.20
BDO, Attabira	12.14	0
BDO, Bhatli	18.96	0
BDO, Padampur	12.53	1.36
BDO, Loisingha	0.6	0
BDO, Puntala	0	0
BDO, Titilagarh	0	0
BDO, Hindol	0	13.67
BDO, Gondia	8.77	9.59
BDO, Bhuvan	0	5.14
BDO, Ganjam	36.08	0
BDO, Aska	0.64	0
BDO, Jagannathprasad	10.16	0
BDO, Badasahi	0	0.54
BDO, Bisoi	0	0.07
BDO, Bijatala	0.15	0.96
BDO, kosagumuda	9.98	9.9
BDO, Jharigaon	0	0
BDO, Chandahandi	1.47	0.01
BDO, Kanas	59.53	5.05
BDO, Krushnaprasad	9.87	66.99
BDO, Kakatpur	0.11	0
BDO, Sonepur	22.56	0.04
BDO, Birmaharajpur	4.88	0
BDO, Dunguripali	8.51	1.43
Sub total	216.94	114.75
Grand Total	2559.71	5113.95

Appendix-3.1

(Refer Paragraph No. 3.1)

Test-checked ZPs, PSs and GPs

Sl. No	ZP	PS	GP
1	Cuttack	Kantapada	Adaspur
			Bagalpur
			Govindpur
			Kantapada
			Uradha
		Tangi-Choudwar	Kanheipur
			Karanji
			Safa
			Napanga
			Uchapada
2	Sambalpur	Dhankauda	Basantapur
			Bisalkinda
			Kardola
			Sason
			Talab
		Maneswar	Baduapali
			Bargaon
			Batemura
			Paramanpur
			Sahaspur

Appendix- 3.2

(Refer Paragraph No. 3.2.1)

GPs which lost Performance Grants

District/ PS	GP	Financial Years during which Performance Grants were not Received	Basic Grant received (₹ in lakh)	Loss of Performance Grant (₹ in lakh)
Sambalpur/ Maneswar PS	Baduapali	2018-19 to 2019-20	51.08	2.84
	Batemura	2018-19 to 2019-20	61.30	3.41
	Bargaon	2018-19 to 2019-20	61.30	3.41
	Parmanpur	2018-19 to 2019-20	51.08	2.84
	Sahaspur	2018-19 to 2019-20	61.30	3.41
Sambalpur/ Dhankauda PS	Basantapur	2018-19 to 2019-20	61.30	3.41
	Bisalkinda	2018-19 to 2019-20	61.30	3.41
	Kardola	2018-19 to 2019-20	71.51	3.97
	Sason	2018-19 to 2019-20	61.30	3.41
	Talab	2018-19 to 2019-20	71.51	3.97
Cuttack/ Kantapada PS	Adasapur	2018-19 to 2019-20	71.51	3.97
	Bagalpur	2018-19 to 2019-20	71.51	3.97
	Govindpur	2018-19 to 2019-20	71.51	3.97
	Kantapada	2018-19 to 2019-20	71.51	3.97
	Uradha	2018-19 to 2019-20	61.30	3.41
Cuttack/ Tangi- Choudwar	Kanheipur	2018-19 to 2019-20	81.08	4.50
	Karanji	2018-19 to 2019-20	61.30	3.41
	Napanga	2018-19 to 2019-20	71.51	3.97
	Safa	2018-19 to 2019-20	61.30	3.41
Total			1,235.51	68.66

Appendix- 3.3

(Refer Paragraph No. 3.2.3)

Non-remittance of Government dues

(₹in lakh)

District / PS	GP	Year	Total
Cuttack/ Kantapada	Bagalpur	2018-19	0.38
		2019-20	0.34
		2020-21	0.41
	Adaspur	2018-19	0.24
		2019-20	0.80
		2020-21	0.36
	Kantapada	2018-19	0.76
		2019-20	0.76
		2020-21	1.14
	Uradha	2018-19	0.26
		2019-20	0.54
		2020-21	0.33
	Govindpur	2018-19	0.18
		2019-20	0.32
		2020-21	0.94
Sambalpur/ Maneswar	Batemura	2019-20	0.05
		2020-21	0.87
	Baduapali	2018-19	0.12
		2019-20	0.09
		2020-21	0.38
	Bargaon	2019-20	0.18
		2020-21	0.51
	Parmanpur	2018-19	0.14
		2019-20	0.29
		2020-21	0.36
	Sahaspur	2018-19	0.03
		2019-20	0.05
2020-21		0.09	
Sambalpur/ Dhankauda	Bisalkhinda	2018-19	0.65
		2019-20	0.00
		2020-21	0
	Kardola	2018-19	0.69
		2019-20	0.42
	Talab	2018-19	0.12
2019-20		0.54	
	Total		13.34

Appendix- 3.4

(Refer Paragraph No. 3.2.4)

Inadmissible projects executed out of 14th FC Funds

District/PS	GP	Purpose of expenditure	Amount (₹ in lakh)
Cuttack/ Tangi-Choudwar	Karanji	HarishchandraSahayataYojana	1.20
	Karanji	SishuDiwas	0.20
	Napanga	Adisakti Drama Pandal at Banika	11.00
	Safa	HarishchandraSahayataYojana	0.04
	Safa	SishuDiwas	0.20
	Safa	Mission Shakti Building at Safa.	5.00
	Safa	Pala Mandap at Haridapal	3.00
Cuttack/ Kantapada	Kantapada	Purchase of Inverter &Acquaguard	0.60
	Kantapada	Expended by GP on eve of Panchayat Raj Divas	0.04
	Kantapada	Repair of GP Office	2.00
	Kantapada	Repair and maintenance of GP Godown	2.00
	Govindpur	Construction of Govindpur Youth Club	4.35
	Govindpur	Completion of meeting hall in GP	4.21
	Uradha	Completion of construction work of Uradha GP and boundary	5.00
	Uradha	Balance work of Uradha GP office and boundary wall	3.00
Sambalpur/ Maneswar	Sahaspur	Repairing of Booths and Electrification	0.54
	Sahaspur	Repairing of Booths and Electrification	0.52
	Baduapali	Purchase of office furniture	0.73
	Baduapali	Construction of ramp in booth	0.55
	Baduapali	Electrification of school for booth	0.52
	Baduapalli	Cement concrete of school campus	4.00
	Baduapalli	cement concrete of temple campus	2.00
	Bargaon	Fitting of electronics item at every booth of GP	0.28
	Batemura	Completion of Mission Shakti building	2.00
	Total		52.98

Appendix- 3.5

(Refer Paragraph No. 3.3.2)

Inadmissible works executed under the AGAB Scheme

Sl. No.	PS	GP	Name of the Project	Amount Spent (₹ in lakh)
1	Kantapada	Bagalpur	Bhagabata Goswami Community Centre, Chitalapur	1.00
2		Bagalpur	Sri Loknath Mahadev CC, Pradhansahi	3.50
3		Bagalpur	Chhata Kumbhs Mahathakurani CC, Deuli	1.00
4		Adaspur	Maa Grama devati CC	1.00
5		Adaspur	Sri Sri Batagoswami CC	2.00
6		Adaspur	Ma Mangala CC	4.00
7		Adaspur	Sri Sri Prabhu Kochila Goswami CC	3.00
8		Kantapada	Bilasuni CC Alapur	2.00
9		Kantapada	Sri Radhakanta CC, Sisua	1.50
10		Kantapada	Sri Bhagabat CC, Sisua	2.00
11		Kantapada	Narayani CC, Sisua	3.50
12		Kantapada	Bakdei Thakurani CC, Bairoi	1.50
13		Kantapada	Maa Mangala CC, Ichhapur	2.00
14		Kantapada	Sri Sankateswar Mahadev, Chheda	2.00
15		Uradha	Mangala CC, Kaliagada, Urada	2.00
16		Uradha	Batagosain CC, Kaliagada	3.00
17		Uradha	Ambica CC, Berhampur	1.50
18		Uradha	Kapileswar CC Urada	2.00
19		Uradha	Chameswar CC, Manikunda	1.50
20		Govindpur	Sri Purnanada CC, Harinanipatana	1.50
21		Govindpur	Sri Narayani CC, Sankhua	1.50
22	Tangi-Choudwar	Bada Samantrapur	Const. of Nilakantheswar C.C at Bada Samantrapur	2.00
23		Mahisalanda	Const. of Gramadebati C.C at Mahisalanda	1.24
24		Garuadagaon	Const. of Brahma Devi C.C at Sapanpur	1.20
25		Govindpur	Const. of Maa Durga C.C at Majhisahi	1.20
26	Dhankauda	Basantpur	Construction of Yagnya Mandap at Mandapat Majhipada	2.00
27		Basantpur	Construction of Yagnya Mandap at Nuapada	2.00
28		Basantpur	Construction of Yagnya Mandap at Nuapada	2.00
29		Bisalkhinda	Construction of Yagnya Mandap at Ambaghara	2.00
30		Kilasama	Construction of Yagnya Mandap Near Jagannath temple at Sagunpali	2.00
31		Talab	Construction of Yagnya Mandap Near Jagannath temple at Jogipali	1.00
32		Talab	Construction of Yagnya Mandap Near Jagannath temple at Jogipali	1.00
33		Talab	Construction of Yatra Mandap at Pandripali	2.00
		Total		62.64

Appendix- 3.6

(Refer Paragraph No. 3.3.3)

Incomplete projects under the AGAB Scheme

Sl. No.	PS / District	GP	Name of the Project	Estimated cost	Amount spent
				₹ in lakh	
1	Kantapada/ Cuttack	Bagalpur	Balunkeswar Community Centre, Chitalpur	1.5	1.5
2	Do	Adaspur	Sri Sri Khetrapal CC	1.50	1.50
3	Do	Adaspur	Sri Mukteswar Mahadev CC	1.50	1.50
4	Do	Kantapada	Sri Chaitanya CC, Kantapada	1.50	1.50
5	Do	Uradha	Saptaphenin CC, Tandikana	2.50	2.50
6	Do	Uradha	Newghei CC, Pohal	3.00	3.00
7	Do	Govindpur	Maa Budhi Jagulai CC, Mankha	1.00	1.00
8	Do	Govindpur	Govindpur Yuvak Sangha, CC, near Lalatendu Temple	1.50	1.50
9	Do	Govindpur	Bhagabata Goswami CC, Tirthapada	2.50	2.50
10	Do	Govindpur	Sri Ari Narayan Yogashrama CC, Sirsundarpur	2.00	2.00
11	Do	Govindpur	Sri Sri Baneswar Mahadev CC, Sirsundarpur	2.50	2.50
12	Tangi- Choudwar/ Cuttack	Napanga	Const. of Solapoi CC Building	1.20	1.20
13	Do	Kanheipur	Const. of Mission Shakti Gruha at Bhagatpur	1.20	1.20
14	Do	Karanji	Const. of Mission Shakti Gruha at RagadiSahi	1.20	1.20
15	Do	Uchapada	Const. of Mission Shakti House at Uchapada village	1.20	1.20
16	Dhankauda/ Sambalpur	Basantapur	Constuction of Yagnya Mandap at Nuapada (Rupapali)	2.00	2.00
17	Do	Bisalkhinda	Construction of Yagnya Mandap at Ambaghar	2.00	2.00
18	Do	Kilasama	Construction of Yagnya Mandap Near Jagannath temple at Sagunpali	2.00	2.00
19	Do	Kud- Gunderpur	Construction of Community Center at Bantola	2.00	2.00
20	Do	Kud- Gunderpur	Construction of Community Center at Chamarpada/Upper Munda	2.00	2.00
21	Do	Sason	Renovation of Talpadar Chatar Bandh	7.00	7.00
22	Do	Talab	Construction of Yatra Mandap at Sanatikira	2.00	2.00
Total				44.80	44.80

Appendix- 3.7

(Refer Paragraph No. 3.3.4)

Works executed without Administrative Approval

Sl. No.	Name of the PS/GPs	Name of the Project	Estimated Cost (₹ in lakh)	Expenditure Incurred (₹ in lakh)
1	Kantapada/ Nuagaon Gram	Batagoswami CC, Jagannathpur	3.00	3.00
2	Nuagaon Gram	Maa Narayani CC	6.00	6.00
3	Postal	Shree Gram debati birajai Thakurane CC, Andeisahi	1.50	1.50
4	Postal	Maa Champadei CC, Tunda	1.50	1.50
5	Postal	Shree Lokanath CC, Rahamba	1.50	1.50
6	Postal	Shree Shree Bhagabat Goswami CC, Pradhansahi, Shankhamuhan, Rahamba	2.00	2.00
7	Postal	Maa Mangala CC, Rahamba	2.50	2.50
8	Postal	Kankalei CC, Postal	1.50	1.50
9	Postal	Shree Shree Balleswar CC, Balada	2.00	2.00
10	Postal	Shree Shree Madanmohan CC, Rahamba	2.50	2.50
11	Postal	Shree Shree Sankarswar Mahadeb CC, Sudusailo	2.50	2.50
12	Postal	Shree Sankareswar Mahadev CC, Dhia Rahamba	1.50	1.50
13	Jharpada	Shree Gramadebatee Thanapati CC, Choupada	1.50	1.50
14	Jharapada	Nadi Gupta Gadi Sarala CC, Jharapada	1.00	1.00
15	Jharapada	Shree Sahadasundari CC, Kamarsahi	2.00	2.00
16	Jharapada	Bhagabatee CC Jharapada (W. No -5)	2.00	2.00
17	Jharapada	Sathibhaunee CC, Badawaubarei	3.50	3.50
18	Jharapada	Kapaleswar Mahadeb CC, Badawaubarei	3.00	3.00
19	Jharapada	Bhagabataee CC, Tarjana	2.00	2.00
20	Jharapada	Bhagabatee CC, Jharapana (W. No -3)	2.00	2.00
21	Jharapada	Shree Baladebjew CC, Choupada	1.50	1.30
22	Jharapada	Mangala CC , Kamara sahi	1.50	1.50
23	Jharapada	Shree Budhijagulai CC, Badakharamanga	2.00	2.00
24	Jharapada	Shree Bhogeswar Mahadeb CC, Jharapada	3.50	3.50
25	Adasapur	Shree Shree Prabhu Kochila goswami CC, Gupta manik	3.00	3.00
26	Adasapur	Maa Mangala CC, Moujpur	4.00	4.00
27	Adasapur	Maa Mangala CC, Saleibedpur - II	2.00	2.00
28	Govindapur	Bhagabati goswami CC, Tirthapada	2.50	2.50
29	Govindapur	Shree Urei CC, Kajalpur	2.00	2.00
30	Bramhansailo	Narayan CC, Kulabrahmansailo	1.50	1.50
31	Bramhansailo	Narayane CC, Dhanamandal	4.00	4.00
32	Bramhansailo	Maa Narayane CC, Purbapari Dhanamandal	2.25	2.25
33	Bramhansailo	Artatran CC, Dhanamandal	2.25	2.25
34	Bramhansailo	Maa Bilasuni CC, Netakundi	1.50	1.50
35	Bramhansailo	Egaraswar CC, Kherasa	4.00	4.00
36	Bramhansailo	Bhagabat CC Kulabrahmansailo	1.50	1.50
37	Bramhansailo	Mangala CC, Kulabrahmansailo	1.75	1.75
38	Bramhansailo	Sahadasundare CC, Urujanga	2.00	2.00
39	Bramhansailo	Nadi Brahmeswar CC, Brahmansailo	4.25	4.25
40	Uradha	Mangala CC, Kaliagar, Uradha	2.00	2.00
41	Uradha	Champeswar CC, Manikunda	1.50	1.50
42	Kantapada	Hazrathgash CC, Sisua	1.50	1.50
43	Kantapada	Srichyatanya CC, Kantapada	1.50	1.50
44	Kantapada	Shree Shanketswar Mahadev CC, Chheda	2.00	2.00

Sl. No.	Name of the PS/GPs	Name of the Project	Estimated	Expenditure
45	Kantapada	Baidei Thakurane CC, Bairoi	1.50	1.50
46	Kantapada	Shree Bhagabat CC, Nayaksahi, Sisua	2.00	2.00
47	Kantapada	Maa Mangala CC, Ichhapur	2.00	2.00
48	Dhankauda/Kilasama	Construction of Community Center at Bhujuliapada	2.00	2.00
49	Talab	Construction of Yatra mandap at Pandripali Katapada	2.00	2.00
50	Kalamati	Construction of Crematorium Ghutu katikira	2.00	2.00
51	Kalamati	Construction of Kalyan Mandap at Alekha baba mandir	2.00	2.00
52	Kalamati	Construction of Community Center at Kadampada	2.00	2.00
53	Kalamati	Construction of Kalyan Mandap Kitchen room at Kalamati	2.00	2.00
54	Kalamati	Construction of Misansakti Building near Kudapada	2.00	2.00
55	Basantpur	Construction of Kalyan Mandap at Kumbarpada	4.00	4.00
56	Basantpur	Construction of Yagnya Mandap at Nuapada	2.00	2.00
57	Kardola	Construction of Community Center at Kudapali	2.00	2.00
58	Kardola	Constuction of Bhagabat Tungi at Bhaliapali	2.00	2.00
59	Bisalkhinda	Construction of Misansakti Building near Talipada Bisalkhinda	2.00	2.00
60	Bisalkhinda	Construction of Community Center at Talipada	2.00	2.00
61	Bisalkhinda	Constuction of Bhagabat Tungi near Jagarnath mandir	2.00	2.00
62	Bisalkhinda	Construction of Community Center at Nadiali Siva Mandir	2.00	2.00
63	Bisalkhinda	Construction of Yatra mandap at Saharapada Hanuman Mandir	2.00	2.00
64	Bisalkhinda	Construction of Community Center at Majhipada	2.00	2.00
65	Bisalkhinda	Construction of Misansakti Building near Bartalpada	2.00	2.00
66	Bisalkhinda	Constuction of Bhagabat Tungi near Talipada Pithampur	2.00	2.00
67	Bisalkhinda	Construction of Yangya Mandap at Ambaghara	2.00	2.00
68	Bisalkhinda	Construction of Misansakti Building near Harizanpada	2.00	2.00
	Total		150	149.80

Appendix 5.1

(Refer Paragraph No. 5.1.1)

List of functions enumerated in Twelfth Schedule

Sl. No.	Functions
1	Urban planning including town planning
2	Regulation of land-use and construction of buildings
3	Planning for economic and social development
4	Roads and bridges
5	Water supply for domestic, industrial and commercial purposes
6	Public health, sanitation conservancy and solid waste management.
7	Fire services
8	Urban forestry, protection of the environment and promotion of ecological aspects.
9	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded
10	Slum improvement and up gradation
11	Urban poverty alleviation
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds
13	Promotion of cultural, educational and aesthetic aspects.
14	Burials and burial grounds; cremations, cremation grounds
15	Cattle pounds; prevention of cruelty to animals
16	Vital statistics including birth and death registration
17	Public amenities including street lighting, parking lots, bus stops and public conveniences.
18	Regulation of slaughter houses and tanneries

Appendix 5.2

(Refer Paragraph No. 5.1.3)

Category-wise ULBs in Odisha

Population	Categories	Type of ULBs	Total Number of ULBs	Names of test- checked ULBs	Effective date of formation
Three lakh and above	Larger Urban Areas	Municipal Corporations	5	1.Berhampur MC 2.Cuttack MC 3.Rourkela MC 4.Bhubaneswar MC	29.12.2008 15.08.1994 14.11.2014 15.08.1994
Twenty five thousand and above	Smaller Urban Areas	Municipalities	45	1.Puri (M) 2.Kendrapada (M) 3.Jajpur (M) 4.Vyasaganar (M) 5.Khorda (M) 6.Rayagada (M) 7.Koraput (M) 8.Sunabeda (M) 9.Jharsuguda (M) 10.Bhadrak (M) 11.Baragarh (M) 12.Bhawanipatna (M)	01.04.1981 18.03.1869 01.04.1869 19.05.1995 31.08.2000 09.01.1971 24.02.2014 24.02.2014 28.08.1951 23.05.1988 01.05.1952 15.05.1951
Ten thousand and above	Transitional Areas	Notified Area Councils	64	1.Ranpur (NAC) 2.Daspalla (NAC) 3.Balugaon (NAC) 4.Konark (NAC)	15.07.2014 29.05.2014 10.09.1982 17.12.1983
Total			114		

Appendix 5.3

(Refer Paragraph No. 5.1.4)

Broad Framework of functions carried out by ULBs

Sl. No.	Wing/Sections	Functions
1	Administration	General administration, including meetings of council and committees.
2	Revenue	Assessment and collection of various taxes, rent, advertisements and other property related activities.
3	Accounts	Preparation and maintenance of accounts, preparation of budget etc.
4	Public health	Sanitation, street sweeping, solid waste management and other public health related activities.
5	Engineering	Construction / O & M of roads, drains, buildings, parks, playgrounds, water supply and street lighting etc.
6	Town Planning	Town planning activities such as issue of building licences etc.
7	Welfare	Implementation of schemes relating to Social and economic development.

(Source: Odisha Municipal Act, 1950 and Odisha Municipal Corporation Act, 2003)

Appendix 5.4
(Refer Paragraph No. 5.3.1)

Comparison of State level legislations with the provisions of the 74th CAA

Provision of Constitution of India	Requirement as per provision of Constitution of India	Compliance provisions in OMA,1950 and OMCA,2003
Article 243Q	Constitution of Municipalities: It provides for constitution of three types of municipalities namely a Nagar Panchayat for transitional area, a Municipal Council for a smaller urban area and a Municipal Corporation for a larger urban area.	Section 4 of OMA 1950 and Section 3(1) of OMCA 2003
Article 243R	Composition of Municipalities: All the seats in a Municipality shall be filled by direct elections and by persons with special knowledge in municipal administration nominated by Government. The Legislature of a State may by law, provide for representation to the Municipality Members of Parliament and Legislative Assembly whose constituencies lie within the municipal area and Members of the council of State and State Legislative Council who are registered as electors within the city.	Section 8 of OMA 1950 and Section 6 of OMCA 2003
Article 243S	Constitution and composition of Wards Committee: This provides for constitution of Wards Committees in all municipalities with a population of 3 lakh or more	Section 57 A of OMA 1950 and Section 21(1) of OMCA 2003
Article 243T	Reservation of seats: The seats to be reserved for SC/ST, women and backward classes for direct election.	Section 11 of OMA 1950 and Section 7(1) of OMCA 2003
Article 243U	Duration of Municipalities: The municipality has a fixed tenure of 5 years from the date of its first meeting and re-election to be held within the six months of end of tenure	Section 41 of OMA 1950 and Section 8(1),Section 48(1), 58(1) of OMCA 2003
Article 243V	Disqualifications for membership: A Person shall be disqualified as member of a Municipality- <ul style="list-style-type: none"> • if he is so disqualified by or under any law for the time being in force for the purposes of elections of the Legislature of the State concerned. • if he is so disqualified by or under any law made by the Legislature of the State. 	Section 17 of OMA 1950 and Section 53(1)&70(1) of OMCA 2003

Provision of Constitution of India	Requirement as per provision of Constitution of India	Compliance provisions in OMA,1950 and OMCA,2003
Article 243W	Powers of ULB and responsibilities of the Municipalities: All municipalities would be empowered with such powers as may be necessary to enable them to function as effective institutions of self-government. The State Government shall entrust with such powers to ULBs to enable them to carry out the responsibilities in relation to the 12 th Schedule.	Section 374A and 374 B OMA 1950 and Section 22 to 26 of OMCA 2003
Article 243X	Power to impose taxes and sources of funds of the Municipalities: <ul style="list-style-type: none"> • Municipalities would be empowered to levy and collect the taxes, fees, duties etc., • Grant-in-aid would be given to the Municipalities from the State • Constitution of funds for crediting and withdrawal of moneys by the Municipality 	Section 131 of OMA 1950 and Section 191 & 192 of OMCA 2003
Article 243Y read with Article 243I	Constitution of Finance Commission: State Government shall constitute Finance Commission for <ul style="list-style-type: none"> • Review the financial position of the municipalities and taking such steps that help in boosting the financial condition of the municipal bodies • Distribution of net proceeds of the taxes, fees, tolls and duties that are charged by the State Government between the state and the municipalities • Allotting the funds to the municipal bodies in the state from the consolidated fund of the State. 	Section (120A) of OMA 1950 and Section (146) of OMCA 2003
Article 243Z	Audit of accounts of municipalities: This provides provision for maintenance of accounts by the Municipalities and the auditing of such accounts.	Section 113 of OMA 1950 and Section 161(1) of OMCA 2003
Article 243ZA read with Article 243K	Elections to the municipalities: The Superintendence, direction and control of all procedure of election of the Municipalities shall be vested in the State Election Commission (SEC)	Section 12 of OMA 1950 and Section 62(1) of OMCA 2003
Article 243 ZD	Committee for District Planning: <ul style="list-style-type: none"> • Constitution of District Planning Committees at district level. • Composition of District Planning Committees. • Preparation of draft development plan for submission to the Government. 	Section 62A of OMA 1950 and there is no such provision in OMCA 2003

Appendix 5.5
(Refer Paragraph No. 5.3.2)

Role of ULBs in implementation of functions

Sl. No.	Functions (18)	Obligatory	Discretionary	Neither obligatory nor discretionary
1	Fire service	X	X	✓
2	Planning for economic and social development	X	✓	X
3	Urban poverty alleviation	X	✓	X
4	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	X	✓	X
5	Roads and bridges	✓	X	X
6	Urban Planning including Town Planning	X	✓	X
7	Regulation of land-use and construction of buildings.	X	✓	X
8	Water supply for domestic, industrial and commercial purposes	✓	X	X
9	Public health, sanitation conservancy and solid waste management.	✓	X	X
10	Urban forestry, protection of the environment and promotion of ecological aspects.	X	✓	X
11	Slum improvement and up-gradation	X	✓	X
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds	✓	X	X
13	Promotion of cultural, educational and aesthetic aspects	✓	X	X
14	Burials and burial grounds; cremations, cremation grounds	✓	X	X
15	Cattle pounds; prevention of cruelty to animals	✓	X	X
16	Vital statistics, including birth and death registration	✓	X	X
17	Public amenities, including street lighting, parking lots, bus stops and public conveniences	✓	X	X
18	Regulation of slaughterhouses and tanneries	✓	X	X

Appendix 5.6

(Refer Paragraph No. 5.3.2)

Details of functions with corresponding jurisdiction of ULBs

Sl. No.	Functions (18)	Jurisdiction ¹
1	Fire service	No role
2	Planning for economic and social development	Simply implementation Agency
3	Urban poverty alleviation	Simply implementation Agency
4	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	Simply implementation Agency
5	Roads and bridges	Dual Role
6	Urban Planning including Town Planning	Minimal role/Overlapping functions/Parastatal
7	Regulation of land-use and construction of buildings.	Minimal role/Overlapping functions/Parastatal
8	Water supply for domestic, industrial and commercial purposes	Minimal role/Overlapping functions/Parastatal
9	Public health, sanitation conservancy and solid waste management.	Minimal role/Overlapping functions/Parastatal
10	Urban forestry, protection of the environment and promotion of ecological aspects.	Minimal role/Overlapping functions/Parastatal
11	Slum improvement and up-gradation	Minimal role/Overlapping functions/Parastatal
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds	Minimal role/Overlapping functions/Parastatal
13	Promotion of cultural, educational and aesthetic aspects	Minimal role/Overlapping functions/Parastatal
14	Burials and burial grounds; cremations, cremation grounds	Minimal role/Overlapping functions/Parastatal
15	Cattle pounds; prevention of cruelty to animals	Minimal role/Overlapping functions/Parastatal
16	Vital statistics, including birth and death registration	Minimal role/Overlapping functions/Parastatal
17	Public amenities, including street lighting, parking lots, bus stops and public conveniences	Minimal role/Overlapping functions/Parastatal
18	Regulation of slaughterhouses and tanneries	Minimal role/Overlapping functions/Parastatal

¹ Jurisdiction could be either i) Full ii) No role iii) Mere implementation Agency (IA) iv) Dual role v) Minimal role/Overlapping functions/Parastatal

Appendix 5.7

(Refer Paragraph No. 5.3.2)

Actual status of implementation of functions by ULBs

Functions where ULBs have Full Jurisdiction			
NIL			
Functions with no role for ULBs			
Sl. No.	Functions	Activities	Actual status of Implementation
1	Fire service	Establishing and maintaining fire brigades	The functions under Fire service are vested with Home Department, Government of Odisha.
		Providing fire NOC / approval certificate in respect of high-rise buildings	
Functions wherein ULBs are simply implementing agencies			
Sl. No.	Functions	Activities	Actual status of Implementation
2	Planning for economic and social development	Program implementation for economic activities	Pradhan Mantri Awas Yojana: Under this scheme, the beneficiary selection and preparation of DPR was vested with ULBs in all 20 test-checked ULBs, However, funds for the scheme were being received by the Mission Director, Odisha Urban Housing Mission, from the H&UD Department and directly credited to the beneficiaries' accounts. National Social Assistance Programme & Madhu Babu Pension Yojana: Under this scheme, Social Security pension, selection & disbursement of pension to the beneficiary was vested with ULBs, in the 20 test-checked ULBs. However, the funds for the schemes were released by the District Social Security Officer, under the Department of Social Security & empowerment of persons with Disability (SSEPD). AHAAR: The programme was launched by GoO, to provide cooked hot meals to poor needy people of urban areas @ ₹. 5/-. Expenditure was being made by the District AHAAR Society, under H&UD. The ULBs provided the electricity, water, watch & ward, daily cleaning of AHHAR Kendra, repair & maintenance of their own funds in the 20 test-checked ULBs.
		Policies for social development	
3	Safeguarding the interests of weaker sections of society, including the	Identifying beneficiaries	Identifying beneficiaries was vested with ULBs, in all 20 test-checked ULBs,
		Providing tools/benefits such as tricycles	The ULBs only identified the beneficiaries in the urban areas, through Community Organisers (COs), in all 20 test-checked ULBs. The aids &

	handicapped and mentally retarded		appliances had been purchased & supplied by the DSSO, Department of Social Security & Empowerment of Persons with Disability (SSEPD).
		Housing programs	Shelter for Urban Homeless is a scheme under the National Urban Livelihood Mission. The scheme envisaged providing permanent all weather shelter to the Urban homeless. The State Urban Development Agency (SUDA), under the H&UD Department, provided the requisite funds to the ULBs. The ULBs constructed the shelter homes and, after completion, operation & maintenance was being done by NGOs/ Outsourcing Agencies, in 16 of the test-checked ULBs.
		Scholarships	The marriage incentive & laptops to visual impaired persons have been supplied by the DSSO, Department of Social Security & Empowerment of Persons with Disability (SSEPD). The ULBs only select the beneficiaries. In one ULB (BMC), the beneficiaries had been supplied with marriage incentive & laptops.
4	Urban poverty alleviation	Identifying beneficiaries	Livelihood and employment (Self Employment Programme): As per the guidelines, this component was to focus on financial assistance to individuals/groups of urban poor, for setting up gainful self-employment ventures/micro-enterprises, suited to their skills, training, aptitude and local conditions. All 20 test-checked ULBs were identifying the beneficiaries and submitting Monthly Progress Reports to the SUDA. SUDA was instructing the assigned banks to make payments, without routing them through ULBs.
		Livelihood and employment	
		Street vendors	Four ULBs (Bhubaneswar, Khordha and Cuttack, Kendrapara) provided vending zones to urban street vendors/hawkers for their livelihoods. The remaining 16 test-checked ULBs did not provide vending zones.
Functions with dual role			
Sl. No.	Functions	Activities	Actual status of Implementation
5	Roads and bridges	Construction and maintenance of roads	ULBs are expected to play a significant role in the construction & maintenance of roads & drains within their jurisdiction. However, a number of roads within the jurisdiction of 14 test-checked ULBs had been handed over to the concerned R&B Divisions under the Works Department and, in these roads, the R&B divisions were executing the road works. Bridges under the jurisdiction of ULBs
		Construction and maintenance of bridges, drains, flyovers and footpaths	

			are constructed by the Odisha Bridge Construction Corporation (OBCC) and also by R&B Divisions.
Functions with minimal role and/or having overlapping jurisdiction with state developments and/or parastatals			
Sl. No.	Functions	Activities	Actual status of Implementation
6	Urban planning including town planning	Master Planning/Development Plans/Zonal Plans	In all 20 test-checked ULBs, Master plans were prepared by Development Agencies/ Town Planning Agencies, under the Director of Town Planning without any involvement of ULBs.
		Enforcing master planning regulations	No regulations on enforcement of town planning were vested with the 20 test-checked ULBs. The regulations on town planning were being enforced by the Development Agencies/ Town Planning Agencies under Director of Town Planning.
		Enforcing building bye-laws and licenses	20test-checked ULBs had not been empowered for framing bye-laws and this function was being carried out by the Development Authorities. However, ULBs were entrusted with the activity of issue and renewal of building licenses.
		Group Housing, Development of Industrial areas	The role of the ULBs was to identify beneficiaries for group housing. However, implementation of the group housing construction was being done by Development Authorities and not by the test-checked ULBs (except BMC & CMC). In these two corporations, construction of group housing was being executed by both, the Corporations and the Authorities.
7	Regulation of land-use and construction of buildings	Regulating land use	Regulation of land use was vested with Development Authorities and Town planning Officer in the jurisdictions of all twenty test-checked ULBs.
		Approving building plans/high rises	Approval of building plans/high rises was being done by both-the BMC& BDA and CMC& CDA, Ranapur NAC, Dasapalla NAC, Kendrapara, Jajpur, BEMC & BeDA. However, it was being done by Development Authorities in four of the other test-checked ULBs i.e. Puri Municipality, Konark NAC, Khurda Municipality and Balugaon NAC, despite issue of orders by the H&UD Department in 2015, to the effect that approval of building plans was to be done by ULBs.
		Demolishing illegal buildings	Demolition of illegal buildings was being done by some of the ULBs, viz. BMC, CMC, BeMC and RMC only. It was, however, being done by Development Authorities/Town Planning Authorities, in other ULBs.
8	Water supply for domestic,	Distribution of water	The OM Act,1950 & OMC Act, 2003, stipulated that provision of water supply,
		Providing connections	

	industrial and commercial purposes	Operation & Maintenance (O&M) Collection of charges	for domestic and industrial units, by the concerned ULBs. However, all 20 test-checked ULBs were not performing the above function. Providing connections, distribution of water, operation & maintenance and collection of water charges, was being carried out by the Water Corporation of Orissa (WATCO) in BMC, CMC, Khurda, Puri & Konark ULB area and by the PH (E) Divisions, in the other 15 test-checked ULBs area, under the H&UD Department.
9	Public health, sanitation conservancy and solid waste management.	Maintaining hospitals, dispensaries	ULBs had only a limited role in regard to public health and allied responsibilities, as the Department of Health & Family Welfare played a significant role in maintaining Hospitals & dispensaries. Homeopathic and Ayurvedic hospitals and dispensaries were being manned by ULBs. However, ULBs had no role in Immunisation/Vaccination programmes.
		Immunisation/Vaccination	
		Registration of births and deaths	Registration of births and deaths was being done by Department of Health & Family Welfare in all twenty test-checked ULBs.
		Cleaning and disinfection of localities affected by infectious disease	Cleaning and disinfection of localities affected by infectious disease, Solid-waste management & Control and supervision of public markets, was being done by all twenty test-checked ULBs.
		Solid-waste management	
10	Urban forestry, protection of the environment and promotion of ecological aspects.	Control and supervision of public markets	
		Afforestation	Afforestation and Greening works had been done in BMC, CMC & RMC only. However, the ULBs had not taken any action in regard to awareness drives, protection of the environment and promotion of ecological aspects. Afforestation and greening works had not been done by any of the other 17 test-checked ULBs.
		Greenification	
		Awareness drives	
		Protection of the environment and promotion of ecological aspects	
		Maintenance of natural resources like water bodies etc.	The ULBs had not been maintaining any of the water bodies in the 20 test-checked ULBs, except in case of the Jajpur Municipality.
11	Slum improvement and up-gradation	Identifying beneficiaries Affordable Housing Up-gradation	Under the Odisha Land Rights to Slum Dwellers Act & Rules 2017, land rights have been provided to identified slum dwellers in the urban areas. However, land rights are being given by the Odisha Livable Habitat Mission (OLHM), under the Scheme "JAGA", which aims at transforming the slums into livable habitats, with all necessary civic infrastructures. An Urban Poor Welfare Fund has been constituted at each Urban Local Body, to which the amount received from Government is credited. A separate Joint Bank Account to be opened, both in the name of the

			<p>Executive Officer and the Project Director, DUDA, for operating the fund, for survey of land by Revenue Authorities and expenses on issue of Pattas for slum dwellers.</p> <p>As such, identification of beneficiaries was being done by all the 20 test-checked ULBs. Housing to the slum dwellers was provided by both-ULBs and Development Authorities, in BMC & CMC areas. In the other 18 test-checked ULBs, housing was being provided by the ULBs themselves.</p> <p>However, other developmental works, in slum areas, were being done by both-ULB and OLHM-in all the 20 test-checked ULBs.</p>
12	Provision of urban amenities and facilities such as parks, gardens, playground	<p>Creation of parks and gardens</p> <p>Operation and Maintenance</p>	<p>In the jurisdiction of BMC, CMC, BeMC, RMC, creation of parks and gardens and their operation and maintenance, were being carried out by the ULBs and the Development Authorities, simultaneously. In other ULBs, parks and gardens were being maintained by ULBs/Resident Welfare Associations/Private Establishments as co-sponsors whereas no parks had been constructed by the Puri, Konark, Balugaon and Vyasaganagar ULBs.</p>
13	Promotion of cultural, educational and aesthetic aspects.	<p>Schools and education</p> <p>Fairs and festivals</p> <p>Cultural buildings / institutions</p> <p>Heritage</p> <p>Public space beautification</p>	<p>In the 20 test-checked ULBs, no schools were functioning under ULBs, as schools and educational institutions, under municipal areas, had already been transferred to the School and Mass Education Department in 2004.</p> <p>Out of 20 test checked ULBs fairs and festivals had been organised by the Jajpur Municipality, Vyasaganagar Municipality and Konark NAC only.</p> <p>Cultural buildings/institutions i.e. 'Kalyan Mandap', 'Muktakash Rangamanch' had been provided only by the Puri ULB, for regional/cultural functions. However, no public Library was functioning in any of the test-checked ULBs.</p> <p>No heritage sites were being maintained by ULBs. They were being maintained by the Archaeological Survey of India.</p> <p>Public beautification, such as wall paintings was being undertaken by different agencies, such as the Tourism and Culture Department, Youth and Sports Department, as well as by ULBs.</p>
14	Burials and burial grounds; cremations, cremation grounds	Construction and O&M of crematoriums and burial grounds and electric crematoriums.	<p>Out of 20 test checked ULB, 16 ULBs have Burial grounds and four ULBs have no Burial grounds. Out of 16 ULBs have Burial grounds, 14 ULBs are maintaining by respective ULBs. Operation and maintenance of other two</p>

			ULBs have been done by outsourcing agencies. Construction and operation & maintenance of Electric crematoriums are available and maintained by BMC only.
15	Cattle pounds; prevention of cruelty to animals	Catching and keeping strays	Gaushaalas are operated in BMC and not in other ULBs. Activities relating to Sterilisation and anti-rabies measures are also being undertaken by veterinary doctors appointed by the ULBs at BMC, CMC and Puri. The other 17 test checked ULBs were not ensuring these activities.
		Sterilisation and anti-rabies	
		Ensuring animal safety	
16	Vital statistics including birth and death registration	Coordinating with hospitals/crematoriums etc. for obtaining information	All 20 test-checked ULBs had a limited role in issue of birth and death certificates. The Health & Family Welfare Department plays a significant role in obtaining information from hospitals/crematoriums. Hence, no database in this regard was being maintained in the ULBs.
		Maintaining and updating database	
17	Public amenities including street lighting, parking lots, bus slops and public conveniences.	Installation and maintenance of street lights	The Capital Cost of Supply and Installation of the Street Lights had been borne by the Housing & Urban Development Department and the project was implemented through private agencies. Costs towards O&M (for a period of seven years after installation), are to be borne by the respective ULBs.
		Deciding and operating bus routes	Deciding and operating of bus routes are within the purview of the Transport Department.
		Creation and maintenance of parking lots	ULBs create and maintain the parking places and collect revenues there from.
		Creation and maintenance of public toilets	The H&UD Department/other Departments constructed the toilets, whereas the ULBs were operating and maintaining these toilets, through NGOs/private agencies.
18	Regulation of slaughter houses and tanneries	Ensuring quality of animals and meat	One slaughterhouse has been constructed by BMC and four slaughter houses were under CMC. However, none of the slaughter houses were made operational by the respective ULBs. No other test checked ULBs have constructed any slaughterhouses.
		Disposal of waste	
		O & M of slaughter houses	

Appendix 5.8
(Refer Paragraph No. 5.3.3.2)

Status of ULB Election and formation of Council in Odisha					
Sl. No.	Name of the ULB	Date of last election	Due date of next election	Delay in conduct of Election	Present status
1	Angul Municipality	19.09.2013	19.09.2018	894 days	No Council
2	Athamallik NAC	19.09.2013	19.09.2018	894 days	No Council
3	Talcher Municipality	19.09.2013	19.09.2018	894 days	No Council
4	Balasore Municipality	19.09.2013	19.09.2018	894 days	No Council
5	Jaleswar NAC	19.09.2013	19.09.2018	894 days	No Council
6	Nilagiri NAC	19.09.2013	19.09.2018	894 days	No Council
7	Soro NAC	19.09.2013	19.09.2018	894 days	No Council
8	Bhadrak Municipality	19.09.2013	19.09.2018	894 days	No Council
9	Basudevpur NAC	19.09.2013	19.09.2018	894 days	No Council
10	Boudhgarh NAC	19.09.2013	19.09.2018	894 days	No Council
11	Athagarh NAC	19.09.2013	19.09.2018	894 days	No Council
12	Banki NAC	19.09.2013	19.09.2018	894 days	No Council
13	Choudwar Municipality	19.09.2013	19.09.2018	894 days	No Council
14	Bhubana NAC	19.09.2013	19.09.2018	894 days	No Council
15	Dhenkanal Municipality	19.09.2013	19.09.2018	894 days	No Council
16	Kamakhyanagar NAC	19.09.2013	19.09.2018	894 days	No Council
17	Paralakhemundi NAC	19.09.2013	19.09.2018	894 days	No Council
18	Kasinagar NAC	19.09.2013	19.09.2018	894 days	No Council
19	Aska NAC	19.09.2013	19.09.2018	894 days	No Council
20	Belaguntha NAC	19.09.2013	19.09.2018	894 days	No Council
21	Berhampur Municipal Corporation	19.09.2013	19.09.2018	894 days	No Council
22	Bhajanagar NAC	19.09.2013	19.09.2018	894 days	No Council
23	Buguda NAC	19.09.2013	19.09.2018	894 days	No Council
24	Chatrapur NAC	19.09.2013	19.09.2018	894 days	No Council

25	Chikiti NAC	19.09.2013	19.09.2018	894 days	No Council
26	Digapahandi NAC	19.09.2013	19.09.2018	894 days	No Council
27	Ganjam NAC	19.09.2013	19.09.2018	894 days	No Council
28	Gopalpur NAC	19.09.2013	19.09.2018	894 days	No Council
29	Hinjilcut NAC	19.09.2013	19.09.2018	894 days	No Council
30	Kavisurya Nagar NAC	19.09.2013	19.09.2018	894 days	No Council
31	Khalikot NAC	19.09.2013	19.09.2018	894 days	No Council
32	Kodala NAC	19.09.2013	19.09.2018	894 days	No Council
33	Polasara NAC	19.09.2013	19.09.2018	894 days	No Council
34	Purusottampur NAC	19.09.2013	19.09.2018	894 days	No Council
35	Rambha NAC	19.09.2013	19.09.2018	894 days	No Council
36	Sorada NAC	19.09.2013	19.09.2018	894 days	No Council
37	Jagatsinghpur NAC	19.09.2013	19.09.2018	894 days	No Council
38	Jajpur Municipality	19.09.2013	19.09.2018	894 days	No Council
39	Vyasanagar NAC	19.09.2013	19.09.2018	894 days	No Council
40	Pattamundai NAC	19.09.2013	19.09.2018	894 days	No Council
41	Anandapur Municipality	19.09.2013	19.09.2018	894 days	No Council
42	Barbil Municipality	19.09.2013	19.09.2018	894 days	No Council
43	Joda Municipality	19.09.2013	19.09.2018	894 days	No Council
44	Keonjharh Municipality	19.09.2013	19.09.2018	894 days	No Council
45	Balugaon NAC	19.09.2013	19.09.2018	894 days	No Council
46	Banpur NAC	19.09.2013	19.09.2018	894 days	No Council
47	Jatani Municipality	19.09.2013	19.09.2018	894 days	No Council
48	Khurda Municipality	19.09.2013	19.09.2018	894 days	No Council
49	Jaypore Municipality	19.09.2013	19.09.2018	894 days	No Council
50	Koraput Municipality	19.09.2013	19.09.2018	894 days	No Council
51	Kotpad NAC	19.09.2013	19.09.2018	894 days	No Council
52	Malkangiri NAC	19.09.2013	19.09.2018	894 days	No Council
53	Karanjia NAC	19.09.2013	19.09.2018	894 days	No Council
54	Rairangpur NAC	19.09.2013	19.09.2018	894 days	No

					Council
55	Udala NAC	19.09.2013	19.09.2018	894 days	No Council
56	Khandapara NAC	19.09.2013	19.09.2018	894 days	No Council
57	Nayagarh NAC	19.09.2013	19.09.2018	894 days	No Council
58	Nawarangpur Municipality	19.09.2013	19.09.2018	894 days	No Council
59	Umerkote NAC	19.09.2013	19.09.2018	894 days	No Council
60	Konark NAC	19.09.2013	19.09.2018	894 days	No Council
61	Nimapara NAC	19.09.2013	19.09.2018	894 days	No Council
62	Pipili NAC	19.09.2013	19.09.2018	894 days	No Council
63	Puri Municipality	19.09.2013	19.09.2018	894 days	No Council
64	Gudari NAC	19.09.2013	19.09.2018	894 days	No Council
65	Gunupur NAC	19.09.2013	19.09.2018	894 days	No Council
66	Rayagada Municipality	19.09.2013	19.09.2018	894 days	No Council
67	Kuchinda NAC	19.09.2013	19.09.2018	894 days	No Council
68	Kantabanjhi NAC	22.11.2013	22.11.2018	829 days	No Council
69	Patnagarh NAC	22.11.2013	22.11.2018	829 days	No Council
70	Bargarh Municipality	22.11.2013	22.11.2018	829 days	No Council
71	Padampur NAC	22.11.2013	22.11.2018	829 days	No Council
72	Barpali NAC	22.11.2013	22.11.2018	829 days	No Council
73	Deogarh Municipality	22.11.2013	22.11.2018	829 days	No Council
74	Brajarajnagar Municipality	22.11.2013	22.11.2018	829 days	No Council
75	Jharsuguda Municipality	22.11.2013	22.11.2018	829 days	No Council
76	Bhawanipatna Municipality	22.11.2013	22.11.2018	829 days	No Council
77	Junagarh NAC	22.11.2013	22.11.2018	829 days	No Council
78	Kesinga NAC	22.11.2013	22.11.2018	829 days	No Council
79	Khariar NAC	22.11.2013	22.11.2018	829 days	No Council
80	Khariar Road NAC	22.11.2013	22.11.2018	829 days	No Council
81	Banika NAC	22.11.2013	22.11.2018	829 days	No Council
82	Sonepur Municipality	22.11.2013	22.11.2018	829 days	No Council
83	Tarava NAC	22.11.2013	22.11.2018	829 days	No Council

84	Biramitrapur Municipality	22.11.2013	22.11.2018	829 days	No Council
85	Rairangpur Municipality	22.11.2013	22.11.2018	829 days	No Council
86	Sundargarh Municipality	22.11.2013	22.11.2018	829 days	No Council
87	G Udayagiri NAC	02.12.2013	02.12.2018	819 days	No Council
88	Phulabani Municipality	02.12.2013	02.12.2018	819 days	No Council
89	Bhubaneswar Municipal Corporation	08.01.2014	08.01.2019	782 days	No Council
90	Cuttack Municipal Corporation	06.02.2014	06.02.2019	753 days	No Council
91	Baripada Municipality	06.02.2014	06.02.2019	753 days	No Council
92	Balangir Municipality	01.07.2014	01.07.2019	608 days	No Council
93	Titlagarh NAC	01.07.2014	01.07.2019	608 days	No Council
94	Tusara NAC	07.04.2015	07.04.2020	329 days	No Council
95	Paradeep Municipality	07.04.2015	07.04.2020	329 days	No Council
96	Belapahar Municipality	07.04.2015	07.04.2020	329 days	No Council
97	Dharmagarh NAC	07.04.2015	07.04.2020	329 days	No Council
98	Sunabeda NAC	07.04.2015	07.04.2020	329 days	No Council
99	Balimela NAC	07.04.2015	07.04.2020	329 days	No Council
100	Dasapalla NAC	07.04.2015	07.04.2020	329 days	No Council
101	Redhakhol NAC	07.04.2015	07.04.2020	329 days	No Council
102	Ranapur NAC	05.05.2015	05.05.2020	300 days	No Council
103	Champua NAC	19.01.2016	19.01.2021	41 days	No Council
104	Baliguda NAC	19.01.2016	19.01.2021	41 days	No Council
105	Attabira NAC	03.04.2018	03.04.2023	No delay	Council exists
106	Hindol NAC	03.04.2018	03.04.2023	No delay	Council exists
107	Kendrapara Municipality	26.04.2011	26.11.2016	1555 days	No Council
108	Nuapara NAC	03.04.2013	03.04.2018	1062 days	No Council
109	Sambalpur Municipal Corporation	21.11.2014 (Newly Constituted)	21.11.2014	2290 days	No Council
110	Rourkela Municipal Corporation	14.11.2014 (Newly Constituted)	14.11.2014	2297 days	No Council

111	Odagaon NAC	17.08.2017 (Newly Constituted)	17.08.2017	1291 days	No Council
112	Chandabali NAC	03.04.2012 (Newly Constituted)	03.04.2012	3252 days	No Council
113	Dhamnagar NAC	23.12.2016 (Newly Constituted)	23.12.2016	1528 days	No Council
114	Bijepur NAC	19.12.2017 (Newly Constituted)	19.12.2017	1167 days	No Council

Appendix 5.9

(Refer Paragraph No. 5.3.3.4(i))

Delay in constitution of SFCs and implementation of recommendations

SFC	To be constituted as per constitution	To be constituted with reference to previous SFCs	Actually constituted	Delay in days	Delay in days with reference to previous SFC	Date of submission	Date of acceptance	Delay in days	Period covered
1 st	By 31 st May 1994	NA	21.11.1996	903	NA	03.12.1998	09.07.1999	217	1998-99 to 2004-05
2 nd	By 31 st May 1999	November 2001	05.06.2003	1825	580	29.09.2004	11.08.2006	680	2005-06 to 2009-10
3 rd	By 31 st May 2004	June 2008	10.09.2008	1561	101	30.01.2010	17.02.2011	383	2010-11 to 2014-15
4 th	By 31 st May 2009	September 2013	20.10.2013	1601	49	September 2014	16.02.2015	168	2015-16 to 2019-20
5 th	By 31 st May 2014	October 2018	05.05.2018	1433	--	02.08.2019	17.02.2020	171	2020-21 to 2024-25

Appendix 5.10

(Refer Paragraph No 5.3.3.6)

Overriding powers of State Government over ULBs

Sl. No.	Subject	Provisions of the Act	Gist of the Provisions	Impact
1	Power to frame Rules	Section 387 of OMA, 1950 and Section 656 of OMCA, 2003	The State Government may make rules for Municipality/ Corporation to carry out all or any of the purposes of this Act and prescribed forms for any proceeding for which they consider that a form should be provided.	Dilutes the power of autonomy provided to ULBs
2	Power to dissolve ULBs	Section 401 of OMA, 1950 and Section 48(1) of OMCA, 2003	If in the opinion of the Government that the Corporation/Municipality is incompetent to perform or persistently makes default in performing the duties imposed on it or undertaken by it or under this Act or any other law, or exceeds or abuses its powers or fails to carry out the directions given to it, the Govt. by notification, direct that Corporation/Municipality be dissolved.	106 ULBs, which were dissolved/wherein the Council's term had expired between April 2016 and January 2021, and six ULBs, which were newly constituted between April 2012 and December 2017. Since dissolution/term expiration/newly creation of these councils, elections have not been held in 112 ULBs and administrator was appointed by the State Government to exercise the powers and discharge the duties of the respective ULBs
3	Sanction of bye-laws by Government	Section 390 of OMA, 1950 and Section 659 of OMCA, 2003	Unless approved and confirmed by the State Government, no regulation or bye-law or cancellation or alteration of a regulation of bye-law made by a Municipality/Corporation shall have effect.	Solid Waste Management and Plastic Waste Management bye-laws, 2019, made by the ULBs, were approved and confirmed by the Government of Odisha and published in the Odisha Gazette. This violates the spirit of decentralized governance
4	Sanction to borrow money	Section 165 of OMCA and Section 111 of OMA	Municipality/ Corporations borrow money, on guarantee by the Government.	Puri Municipality, Berhampur Municipal Corporation (BeMC) and Rourkela Municipal Corporation (RMC) borrowed money (loan) on Guarantee by the Government.

Appendix 5.11
(Refer Paragraph No 5.3.3.8(ii))

Status of the Roads handed over to the Works Department

Sl. No. of of ULBs	Name of Municipal Corporation (MC)/ Municipality(M)/NAC (N)	SL No. of roads	Name of the Roads	Handed over by H&UD Department (Letter No./Date)	Whether taken over by Works Department	
					Yes/No	Letter No./Date
1	Baragarh (M)	1	NH-06 to Via Hotel Oriental to Govindpali Chouk	14208/ 17.4.2013	Yes	4911/ 3.5.2013
		2	Sweeper colony to Reserve Police line bridge	-do-	Yes	4911/ 3.5.2013
		3	SP Office to Panchayat College Road	-do-	Yes	4911/ 3.5.2013
		4	Road from Kacheri to Puruna Bazar	-do-	Yes	4911/ 3.5.2013
		5	NH 16 to Sani Temple Chhak via New Bus Stand	Bhadrak Municipality Lr.No. 8786/ 11.10.2019	No	
2	Bhadrak (M)					
		6	Road from Puruna Bazar Chhak to Sangeet Chhak via Bokhari Baba Astana & Bahali Chhak	24070/ 25.11.2014	Yes	2607/ 27.02.2015
		7	Bidanasi Municipal Colony Road	14208/ 17.4.2013	No	
		8	Improvement to 24 mtr wide road connecting BM Park to Mahanadi Embankment in between sector-8 & 11 and sector-9 & 10 CDA, Bidanasi , Cuttack	-do-	Yes	4911/ 3.5.2013
		9	Improvement to 24 mtr wide road in between sector- 10 & 11 CDA, Bidanasi , Cuttack	-do-	Yes	4911/ 3.5.2013
3	Cuttack (MC)	10	Improvement to 18 mtr wide road in sector-9 connecting Sector-6 & Sector 10,CDA, Bidanasi , Cuttack	-do-	Yes	4911/ 3.5.2013
		11	Eye hospital, Sector- 10	-do-	Yes	4911/ 3.5.2013
		12	Satichoura Chhak to Kathajodi Ring road via Windsor Palace	-do-	No	
		13	Windsor Palace side road toSector-9	-do-	No	
		14	Shelter Chhak to Dhoba Sahi	-do-	No	
		15	Purighat to Jublee Tower	-do-	Yes	4911/ 3.5.2013
		16	Barahi Thakurani to Baxibazar PO	-do-	No	
		17	Bhaktilata Ray House to Bagala Thakurani Chhaka via Dharni Dhar Nayak Advocate residence	-do-	No	

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Sl. No. of of	Name of Municipal Corporation (MC)/	SL No. of roads	Name of the Roads	Handed over by H&UD Department	Whether taken over by Works Department
		18	Chatragada to Rajabagicha Thaku Ghar	-do-	No
		19	Chatragada to Jhangirmangala Temple	-do-	No
		20	Dolamundai Chhak to Jhola sahi Chhak	-do-	No
		21	CC road from Bajrakabati Culvert to Chhatra Bazar Professor Para Culvert (MSWC Road)	-do-	No
		22	Improvement of road and drain from Kesharpur Culvert to Mangalabag Hanuman Temple via Ucha Sahi, Mohan Mandap in Ward No.29	-do-	No
		23	CC road from Royal Diagnostic to Dr. S R Patnaik residence	-do-	No
		24	Machhua Bazar Chhak to Bepari Sahi Chaitanya Chhak	-do-	No
		25	Improvement to road from Bisinabar Main road	-do-	Yes 4911/3.5.2013
		26	Pilgrim main road from college Chhaka to Chhatra bazaar culvert	-do-	No
		27	Road from Matiz Mayale Chhak to Jobra Durga Ghara	-do-	No
		28	Road from Cuttack-Paradeep road to Kameswar Temple	-do-	No
		29	Road from Chauliaganja Durga Ghar Chhaka towards Mahanadi Vihar at Aparna Nagar	-do-	No
		30	Improvement to road from ring road to Hindustan Petroleum	-do-	No
		31	Road from Mangala Mandir to Dr. D Sahoo Residence via Sanjeebani Chhak	-do-	No
		32	Road from Birupa Chhaka to Jagatpur village	-do-	No
		33	Road from Ultra Hospital to Kendrapara Canal	-do-	No
		34	CC road from Suvam Sauchalaya, Nuapada, Balisahi Road	-do-	No
		35	Const of CC road Nuapada village road to Tilottama Das house at Bali Sahi	-do-	No
		36	Const of road from Kalyani Nagar ABM tower to Nuapada Chhaka via Dargha Patna	-do-	No
		37	CC road from vigilance colony Chhaka to Mahadev Temple at Andarpur	-do-	No
		38	Road from Sani Mandir to Mahima Nagar via Cuttack College	-do-	No
		39	Road from Brahman Sahi to Kanheipur	-do-	No
		40	CC road from Kathajodi embankment to Danda Mahavir Temple at Srikoruan	-do-	No
		41	Construction of road from NH to Puri main canal via Kuda Sahi	-do-	No
		42	Road from RD road to Rama Nagar Matha via Rama Nagar	-do-	No

Sl. No. of	Name of Municipal Corporation (MC)/	SL No. of roads	Name of the Roads	Handed over by H&UD Department	Whether taken over by Works Department
4	Berhampur (MC)	43	village Haridakhandi Petrol pump junction to Sapua Nalla culvert via Balunkeswar Temple Jn. Old Berhampur, Andhapasara Bye pass road	-do-	Yes 4911/ 3.5.2013
		44	Courtpeta Jn. to Gate Bazar Jn. via New Bus stand road	-do-	Yes 4911/ 3.5.2013
		45	Gate Bazar Jn. to Luchapada road All India Radio Station Jn. and internal road of Bank Colony near Medical Colony and Gate Bazar	-do-	Yes 4911/ 3.5.2013
		46	Kamapalli Fish Market Jn. To NH 59 via working Women's Hostel	-do-	Yes 4911/ 3.5.2013
		47	Congress office chowk to Bijipur Chowk and PVN Rao petrol pump Jn. To Mango market Jn. Via Gandhi Nagar, Sub-registrar office chowk Premi Nagar	-do-	No
		48	Improvement of road from NH59 to Alakapuri Main road	-do-	Yes 4911/ 3.5.2013
		49	Improvement to Bima Nagar main road from NH59 to Reserve Police Ground, Sri Krishna Vihar and internal road of Housing Board Colony near Gopalpur Jn. Ambapua	-do-	Yes 4911/ 3.5.2013
		50	Balunkeswar Temple Jn. To Gajapati Jn. Via Big Bazar	-do-	No
		51	Internal road from BRIT Colony	-do-	No
		52	Internal road of Gajapati Nagar EWS & LIG Colony	-do-	No
		53	Internal road of Maruti Vihar and Gandhinagar	-do-	No
		54	Tata Benz Jn. To Old Bus stand via Utkal Ashram Road and State Bank road	-do-	No
		55	Andhapasara Bye pass main road to Kalua Mandir Jn. via Kautiki Nagar	-do-	Yes 4911/ 3.5.2013
		56	Suraj Bihar road	-do-	
5	Bhubaneswar (MC)	57	Road from KIIT to Prasanti Vihar main road	-do-	Yes 4911/ 3.5.2013
		58	Road from Patia Chhvak to Patia village (Sandha Chhvak)	-do-	No
		59	Road from Patia (Purusottam House) to Damana Siba Mandir in Ward No.2	-do-	No
		60	Road to Mahavinayakpuram, Patia from Nandankanan Road in Ward No.2	-do-	Yes 4911/ 3.5.2013
		61	Road from Kanan Vihar Phase-II backside towards Patia College	-do-	Yes 4911/ 3.5.2013

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Sl. No. of of	Name of Municipal Corporation (MC)/	SL No. of roads	Name of the Roads	Handed over by H&UD Department	Whether taken over by Works Department
6	Khurda(M)	62	BT road from Patra square side to HIG-II/184, Kanan Vihar in Ward No.2	-do-	Yes
		63	Road from Durga Mandap to Mancheswar through Sameigadia club in Ward No.3	-do-	No
		64	Road from NH5 Pahal Chhak to Jayapur and Johala	-do-	No
		65	Road from D/L colony near Sainik School Gate to Dhirikuti Basti in Ward No.12	-do-	No
		66	Jagmohan Nagar to Dumduma via Panchasakha Nagar in Ward No.28	-do-	Yes
		67	Road from HDFC Bank to NH through Mamtaj Alli High School in Ward No.34	-do-	Yes
		68	Road from CBI Colony to Mamtaj Alli High School	-do-	No
		69	Road from Jagannath Sevasadan Jn. To Road Over Bridge(Bapiji Nagar)	-do-	Yes
		70	Road from High Level Water tank to Level Crossing(Bapuji Nagar)	-do-	Yes
		71	Internal road of Bapuji Nagar	-do-	No
		72	Road from Plot No.A-1/2 to Plot No.123 in Ashok Nagar	-do-	Yes
		73	Road from Plot No.25 to Plot No.30,38 to Plot No.41 to 16 and backside of Srikunja Hotel, Ashok Nagar	-do-	No
		74	Road from Kanungo Diabetic Hospital Chhak to Trinath Temple via Palamandap	-do-	Yes
		75	Const of CC road from Dwarika Nagar towards Patitapabana Chhak via Tangi Sahi	-do-	Yes
		76	Const of CC road from college road Chhak to NH-5	-do-	Yes
		77	Const of CC road from Lokeswarpur-Bikash Nagar road	-do-	Yes
		78	Mochi Sahi Chhak to Railway Station via Jhadeswari Temple	-do-	No
		79	Dolamandap Sahi to Darjipokhari Chhak via Labamikhia, Panchamukhi Chaura & Heragohiri Sahi	-do-	No
7	Puri(M)	80	Sairam Temple to Helipad via PHD office and Sadar Block	-do-	No
		81	Balighat Chhak to Gopalpur PWD road via Kandhei Factory road	-do-	No
		82	Hatisal Chhak to Puri Satapada National Highway via	-do-	No

Sl. No. of of	Name of Municipal Corporation (MC)/	SL No. of roads	Name of the Roads	Handed over by H&UD Department	Whether taken over by Works Department
			Mangalghat		
		83	Gandua Chaura Chhak to Bidhaba Ashram Chhak via Manikarnika Sahi and Harachandi Sahi	-do-	Yes
		84	BNR Hotel to Grand road via Marichikot Chhak, Station square, Ghodia bazaar & new Sadar Thana	-do-	Yes
8	Konark (N)	85	Madhipur Chhak via Sijugoradi, Mulisahi bridge upto Nabaghana Swain house	-do-	Yes
		86	In front of Nabagraha Temple road via tourist market Trading to Bus Stand	-do-	Yes
9	Sambalpur (MC)	87	Road from Bhutapada Chowk to Dhankauda	-do-	Yes
10	Rourkela (MC)	88	Pharmacy college Chhak to BSNL Chhak via Bandhposh, Padhampalli, Tulsitola	-do-	Yes
		89	Sports Hostel, Kissantola, Biju Pattnaik Chhak to Hanuman Mandir Chhak, Chhend	-do-	Yes
		90	High Tech Medical Chhak to Mahatab road via Sastri Chhak and KK block, civil township	-do-	No
		91	Mahatab road from Ring road (Hanuman batika Chhak) to traffic gate	-do-	Yes
		92	Basanti Colony road, Tempo stand (FLBlock) to ring road via Malgoldown	-do-	No
		93	Rourkela main road from Ambedkar Chhak to Bisra Chowk	-do-	Yes
11	Kendrapara (M)	94	Timimuhani to Ichhapur	12851/ 19.5.2015	No
12	Vyasanagar (M)	95	Dhabalagiri to Vyasa sarovar	Vyasanagar Municipality Lr.No. 04/ 01.01.2019, Lr.No. 80/ 10.01.2019, Lr.No. 1947/ 28.07.2020	No
		96	Road from Nahaka by-pass chhak to NH-215 near Kanhei Pur via Chandama Hindula Road	Vyasanagar Municipality Lr.No. 1669/ 02.7.2014	Yes
					Works Dept Notification No. 8966/31.07.2014 Panikoili (R&B)

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Sl. No. of of	Name of Municipal Corporation (MC)/	SL No. of roads	Name of the Roads	Handed over by H&UD Department	Whether taken over by Works Department
13	Jharsuguda (M)	97	Jhadeswar Mandir to Jaydev Vihar	Jharsuguda Municipality Lr.No. 3647/14.11.2014 Lr.No. 3252/23.12.2017	No Divn Lr. No. 3141/ 30.10.2014
14	Bhawaniapatna(M)	98	NH-26 to SH-16 via Bhawaniapatna Railway Station	Proceedings of District Level Empower Committee Meeting dated: 20.05.2014	Yes Works Dept Notification No.8966/31.07.2014
	Total	98		42	56

Appendix 5.12

(Refer Paragraph No 5.4.1.1(ii))

SFC-wise important recommendations and their modifications effected by State Government

SFC	Recommendations	Modifications
First	The Commission recommended that 10 <i>per cent</i> of the collection of Motor Vehicle (MV) Tax be given to ULBs, in the ratio of 60:40, to Municipalities and N.A.C.s, respectively, as additional resources for improvement and maintenance of roads each year.	In order to avoid the unnecessary complication of linkage between the collection of M.V tax and its devolution, the State Government decided to fix the annual grant of road maintenance for ULBs at ₹15.00 crore. ₹9.00 crore would be earmarked for Municipalities and the remaining ₹6.00 crore for NACs. The ratio works out to 60:40. The <i>inter-se</i> distribution among the Municipalities/NACs would be in proportion to the relative share of the road length maintained by the ULBs.
Second	The Commission, apart from the total amount of ₹ 1,059.15 crore meant for devolution during the award period, had recommended the Twelfth Finance Commission for funding certain special problem areas, at a total cost of ₹121.93 crore only. The commission, thus, recommended the twelfth Finance Commission for replenishing a total amount of ₹1181.08 crore	Against the sum of ₹1,181.08 crore, which the 2 nd SFC had recommended to the 12 th FC, for providing to the State, the 12 th FC had recommended ₹907 crore, for the period from FY 2005-06 to FY 2009-10, out of which, ₹803.00 crore was for Rural Local Bodies and ₹104.00 crore was for ULBs.
Third	The Commission had recommended that 15 <i>per cent</i> of the average own Gross Tax Revenue of the State Government for the five year period 2010-15 may be devolved in favour of Panchayati Raj Institutions (PRIs) and ULBs for providing public services and undertaking local development. The amount would be distributed among the PRIs and ULBs in the ratio of 75:25 (₹3,360.64: ₹1,120.21 crore)	In addition to the entitlement of ₹3,270.90 crore as per recommendation of 13 th Finance Commission, Government provided an amount of ₹ 1,209.95 crore to the PRIs and ULBs, in the ratio of 75:25 during the award period from 2010-11 to 2014-15 as part of devolution of its own resources to be utilized for the purposes recommended by the 3 rd SFC.
Fourth	Three <i>per cent</i> of the net tax revenue during the period 2015-20 was to be devolved and distributed between the PRI and ULBs in the ratio of 75:25. The devolved fund was the right of the local bodies and to be used as per their own priorities and decisions.	Although three <i>per cent</i> of the net tax revenue was to be distributed between the PRI and ULBs in the ratio of 75:25, yet the devolved fund was ₹51.78, ₹86.09 and ₹26.73 crore, for Municipal Corporations, Municipalities and NACs, respectively, with uniform share for each year, throughout the period FY 2015-16 to FY 2019-20.

Appendix 5.13

(Refer Paragraph No 5.4.1.1(v))

Demand, Collection & Balance position of Holding Tax (₹in lakh)

SI No	Name of the ULB	Year	Demand	Collection	Balance
1	Puri Municipality	2015-16	432.70	208.53	224.17
		2016-17	519.89	280.18	239.71
		2017-18	581.30	347.29	234.01
		2018-19	619.14	333.02	286.12
		2019-20	665.05	345.49	319.56
		TOTAL	2,818.08	1,514.51	1,303.57
2	Konark NAC	2015-16	0.00	0.00	0.00
		2016-17	0.00	0.00	0.00
		2017-18	7.25	2.47	4.78
		2018-19	5.20	1.44	3.76
		2019-20	5.30	3.23	2.07
		TOTAL	17.75	7.14	10.61
3	Bhubaneswar Municipal Corporation	2015-16	4,768.60	2,389.69	2,378.91
		2016-17	4,639.02	3,507.55	1,131.47
		2017-18	4,973.68	4,107.42	866.26
		2018-19	5,286.33	3,962.08	1,324.25
		2019-20	5,463.50	4,246.41	1,217.09
		TOTAL	25,131.13	18,213.15	6,917.98
4	Kendrapara Municipality	2015-16	26.79	21.90	4.89
		2016-17	27.05	23.86	3.19
		2017-18	30.28	25.57	4.71
		2018-19	46.00	28.59	17.41
		2019-20	59.59	28.92	30.67
		TOTAL	189.71	128.84	60.87
5	Jajpur Municipality	2015-16	26.95	14.57	12.38
		2016-17	27.39	16.76	10.63
		2017-18	27.31	15.54	11.77
		2018-19	29.03	16.85	12.18
		2019-20	30.81	19.61	11.20
		TOTAL	141.49	83.33	58.16
6	Vyasnagar Municipality	2015-16	127.27	78.03	49.24
		2016-17	137.32	87.89	49.43
		2017-18	137.18	77.87	59.31
		2018-19	148.88	80.64	68.24
		2019-20	166.53	75.19	91.34
		TOTAL	717.18	399.62	317.56
7	Berhampur	2015-16	155.26	101.35	53.91

	Municipal Corporation	2016-17	230.28	102.27	128.01
		2017-18	266.33	110.61	155.72
		2018-19	1,045.45	459.38	586.07
		2019-20	1,170.46	944.52	225.94
		TOTAL	2,867.78	1,718.13	1,149.65
8	Jharsuguda Municipality	2015-16	111.14	20.07	91.07
		2016-17	123.86	48.31	75.55
		2017-18	108.33	28.81	79.52
		2018-19	112.30	25.86	86.44
		2019-20	124.86	39.35	85.51
		TOTAL	580.49	162.40	418.09
9	Bhadrak Municipality	2015-16	267.96	59.74	208.22
		2016-17	332.95	143.40	189.55
		2017-18	315.58	120.74	194.84
		2018-19	323.26	116.06	207.20
		2019-20	338.19	142.85	195.34
		TOTAL	1,577.94	582.79	995.15
10	Bargarh Municipality	2015-16	99.98	32.35	67.63
		2016-17	100.77	50.99	49.78
		2017-18	99.48	51.70	47.78
		2018-19	108.43	57.04	51.39
		2019-20	117.73	68.03	49.70
		TOTAL	526.39	260.11	266.28
11	Bhawanipatna Municipality	2015-16	57.22	33.51	23.71
		2016-17	79.42	72.26	7.16
		2017-18	171.89	74.66	97.23
		2018-19	167.74	86.21	81.53
		2019-20	152.79	74.98	77.81
		TOTAL	629.06	341.62	287.44
12	Khordha MNP	2015-16	448.95	76.36	372.59
		2016-17	545.52	78.80	466.72
		2017-18	637.24	66.97	570.27
		2018-19	703.00	92.97	610.03
		2019-20	741.92	76.24	665.68
		TOTAL	3,076.63	391.34	2,685.29
13	Cuttack MC	2015-16	1,117.40	785.06	332.34
		2016-17	1,160.02	1,012.03	147.99
		2017-18	1,800.00	3,047.92	-1,247.92
		2018-19	3,000.00	1,432.66	1,567.34
		2019-20	3,300.00	4,000.01	-700.01
		TOTAL	10,377.42	10,277.68	99.74
14	Balugaon NAC	2015-16	0.00	0.00	0.00

		2016-17	92.48	26.71	65.77
		2017-18	89.20	19.76	69.44
		2018-19	95.21	23.19	72.02
		2019-20	98.64	23.64	75.00
		TOTAL	375.53	93.30	282.23
15	Rayagada Municipality	2015-16	80.34	54.16	26.18
		2016-17	152.58	87.79	64.79
		2017-18	210.20	103.55	106.65
		2018-19	215.96	93.70	122.26
		2019-20	228.21	81.24	146.97
		TOTAL	887.29	420.44	466.85
16	Koraput Municipality	2015-16	110.89	64.19	46.70
		2016-17	151.04	100.96	50.08
		2017-18	176.61	131.60	45.01
		2018-19	192.84	145.47	47.37
		2019-20	199.58	142.32	57.26
		TOTAL	830.96	584.54	246.42
17	Sunabeda Municipality	2015-16	105.33	18.65	86.68
		2016-17	105.08	18.66	86.42
		2017-18	37.82	30.43	7.39
		2018-19	42.79	38.39	4.40
		2019-20	66.15	53.07	13.08
		TOTAL	357.17	159.20	197.97
18	Rourkela Municipal Corporation	2015-16	558.30	277.13	281.17
		2016-17	661.29	432.49	228.80
		2017-18	551.75	360.36	191.39
		2018-19	1,072.40	433.68	638.72
		2019-20	1,469.56	745.96	723.60
		TOTAL	4,313.30	2,249.62	2,063.68

*No Collection of Holding Tax in Dasapalla NAC and Ranapur NAC

Abstract					(₹. in lakh)
	Year	Demand	Collection	Balance	Collection in %
	2015-16	8,495.08	4,235.29	4,259.79	49.86
	2016-17	9,085.96	6,090.91	2,995.05	67.04
	2017-18	10,221.43	8,723.27	1,498.16	85.34
	2018-19	13,213.96	7,427.23	5,786.73	56.21
	2019-20	14,398.87	11,111.06	3,287.81	77.17
	G. Total	55,415.30	37,587.76	17,827.54	67.83

Appendix 5.14
(Refer Paragraph No 5.4.2.1)
Budget Estimate vis-a-vis Actual Receipt and Expenditure (₹ in crore)

Sl. No.	Name of ULB	Year	Receipt		Expenditure	
			Budget Estimate	Actual	Percentage of BE	Actual
1	Khordha Municipality	2015-16	28.68	14.28	49.79	28.96
		2016-17	10.57	13.38	126.58	11.7
		2017-18	20.52	16.16	78.75	20.53
		2018-19	27.53	20.45	74.28	22.66
		2019-20	27.64	28.39	102.71	28.31
2	Cuttack Municipal Corporation	2015-16	339.77	166.87	49.11	313.57
		2016-17	237.93	165.63	69.61	254.13
		2017-18	275.98	210.29	76.20	274.86
		2018-19	312.08	215.33	69.00	310.93
		2019-20	330.33	300.48	90.96	329.08
3	Balugaon NAC	2015-16	16.97	6.69	39.42	16.77
		2016-17	16.46	5.36	32.56	16.46
		2017-18	10.09	5.97	59.17	10.01
		2018-19	8.29	8.97	108.20	12.38
		2019-20	12.11	9.11	75.23	12.19
4	Puri	2015-16	185.85	61.92	33.32	174.86
		2016-17	67.96	70.92	104.36	87.38
		2017-18	58.05	120.49	207.56	78.43

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Sl. No.	Name of ULB	Year	Receipt		Expenditure			
			Budget Estimate	Actual	Percentage of BE	Budget Estimate	Actual	Percentage of BE
5		2018-19	73.38	76.78	104.63	73.49	120.98	164.62
		2019-20	94.82	121.81	128.46	93.89	122.33	130.29
		2015-16	468.61	185.99	39.69	450.19	190.23	42.26
		2016-17	282.13	208.60	73.94	281.29	210.4	74.80
		2017-18	333.69	250.92	75.20	328.97	221.03	67.19
	Bhubaneswar	2018-19	364.32	261.68	71.83	349.3	255.39	73.11
		2019-20	395.1	291.90	73.88	379.33	227.95	60.09
		2015-16	6.55	6.24	95.27	7.06	3.88	54.96
		2016-17	8.13	5.49	67.53	8.22	3.4	41.36
		2017-18	6.86	8.28	120.70	10	6.77	67.70
6		2018-19	7.27	6.28	86.38	9.77	7.1	72.67
		2019-20	9.09	18.2	200.22	10.16	7.5	73.82
		2015-16	0	3.49	0.00	0	1.04	0.00
		2016-17	0	5.02	0.00	0	3.78	0.00
		2017-18	0	8.14	0.00	0	2.59	0.00
7		2018-19	0	9.29	0.00	0	7.87	0.00
		2019-20	0	12.42	0.00	0	8.42	0.00
		2015-16	45.24	4.02	8.89	40.72	1.5	3.68
		2016-17	2.33	2	85.84	2.33	0.71	30.47
		2017-18	2.36	2	84.75	2.21	0.68	30.77
8		2018-19	0	4.99	0.00	0	1.42	0.00

Sl. No.	Name of ULB	Year	Receipt		Expenditure			
			Budget Estimate	Actual	Percentage of BE	Budget Estimate	Actual	Percentage of BE
9	Kendrapara	2019-20	0	5.14	0.00	0	4.23	0.00
		2015-16	20.96	10.47	49.95	20.69	7.04	34.03
		2016-17	16.74	14.2	84.83	23.56	10.53	44.69
		2017-18	21.88	12.16	55.58	21.6	12.82	59.35
		2018-19	22.68	12.83	56.57	22.69	12.3	54.21
		2019-20	17.54	18.03	102.79	17.49	13.35	76.33
10	Rayagada Municipality	2015-16	34.74	22.18	63.85	34.41	19.72	57.31
		2016-17	33.9	33.74	99.53	37.36	23.84	63.81
		2017-18	37.33	24.88	66.65	36.47	24.41	66.93
		2018-19	44.15	33.11	74.99	43.8	23.14	52.83
		2019-20	61.9	44.95	72.62	61.13	27.06	44.27
		2015-16	34.73	25.01	72.01	34.67	15.31	44.16
11	Jhatsuguda Municipality	2016-17	34.73	30.35	87.39	25.76	19.44	75.47
		2017-18	29.5	35.6	120.68	25.72	21.56	83.83
		2018-19	36.64	33.33	90.97	29.34	52.17	177.81
		2019-20	35.05	36.38	103.79	36.46	14.86	40.76
		2015-16	14.43	15.89	110.12	14.31	9.76	68.20
		2016-17	27.58	14.75	53.48	25.24	8.97	35.54
12	Vyasaganagar Municipality	2017-18	21.62	16.13	74.61	21.63	13.6	62.88
		2018-19	22.78	16.76	73.57	22.41	19.14	85.41
		2019-20	30.34	23.79	78.41	29.86	8.89	29.77

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Sl. No.	Name of ULB	Year	Receipt		Expenditure			
			Budget Estimate	Actual	Percentage of BE	Budget Estimate	Actual	Percentage of BE
13	Koraput Municipality	2015-16	21.36	14.09	65.96	21.26	15.1	71.03
		2016-17	15.36	15.14	98.57	19.75	17.4	88.10
		2017-18	13.72	19.47	141.91	13.61	19.24	141.37
		2018-19	19.23	20.75	107.90	18.97	28.3	149.18
		2019-20	18.57	21.49	115.72	18.1	18.48	102.10
14	Bhadrak Municipality	2015-16	94.17	29.52	31.35	74.37	16.1	21.65
		2016-17	48.73	27.54	56.52	46.47	33.74	72.61
		2017-18	53.26	31.1	58.39	55.93	24.4	43.63
		2018-19	39.71	35.82	90.20	42.71	32.63	76.40
		2019-20	45.95	55.7	121.22	46.5	44	94.62
15	Jajpur Municipality	2015-16	88.78	10.76	12.12	86.01	9.6	11.16
		2016-17	16.24	12.8	78.82	29.8	13.95	46.81
		2017-18	75.97	10.1	13.29	74.88	25.28	33.76
		2018-19	43.78	18.44	42.12	37.63	19.85	52.75
		2019-20	40.35	20.02	49.62	42.7	18.79	44.00
16	Sunabeda Municipality	2015-16	17.98	14.81	82.37	16.88	11.26	66.71
		2016-17	13.52	16.1	119.08	17.77	9.94	55.94
		2017-18	14.31	18.89	132.01	14.17	12.61	88.99
		2018-19	17.98	19.34	107.56	17.8	15.9	89.33
		2019-20	20.3	24.34	119.90	19.99	15.65	78.29
17	Baragarh Municipality	2015-16	13.43	13.02	96.95	7.01	6.29	89.73
		2016-17	22.78	36.86	161.81	29.42	22.43	76.24

Sl. No.	Name of ULB	Year	Receipt		Expenditure			
			Budget Estimate	Actual	Percentage of BE	Budget Estimate	Actual	Percentage of BE
		2017-18	28.36	28.27	99.68	35.42	28.23	79.70
		2018-19	36	38.03	105.64	34.59	5	14.46
		2019-20	43.31	0.69	1.59	42.24	0.19	0.45
		2015-16	275.52	103.49	37.56	265.93	85.5	32.15
18	Berhampur Municipal Corporation	2016-17	71.02	189.33	266.59	92.76	138.91	149.75
		2017-18	283.21	186.57	65.88	488.96	252.71	51.68
		2018-19	285.99	114.98	40.20	285.99	157.8	55.18
		2019-20	418.43	195.04	46.61	423.43	155.85	36.81
	Rourkela MC	2015-16	83.66	82.76	98.92	180.56	106.07	58.75
		2016-17	116.76	282.2	241.69	109.24	251.8	230.50
		2017-18	133.42	97.36	72.97	157.06	88.44	56.31
		2018-19	125.06	138.38	110.65	173.67	71.9	41.40
19		2019-20	116.64	154.78	132.70	180.77	91.19	50.45
	Bhawaniipatna Municipality	2015-16	36.23	15.96	44.05	36.55	18.01	49.27
		2016-17	19.49	21.53	110.47	23.12	18.9	81.75
		2017-18	25.51	22.61	88.63	25.21	20.3	80.52
		2018-19	27.99	21.77	77.78	28.18	21.03	74.63
20		2019-20	30.3	30.42	100.40	30.22	21.03	69.59

Appendix 5.15
(Refer Paragraph No 5.4.2.2)

**Actual receipts and expenditure during FYs 2015-16 to 2019-20 in test-checked ULBs
(₹ in crore)**

SLNo	ULBs	Year	OB	Receipt	Total	Expenditure	CB	Percentage of expenditure
1	Khordha Municipality	2015-16	7.91	14.28	22.19	8.88	13.31	40.02
		2016-17	13.31	13.38	26.69	13.04	13.65	48.86
		2017-18	13.65	16.16	29.81	16.16	13.65	54.21
		2018-19	13.65	20.45	34.1	22.66	11.44	66.45
		2019-20	11.44	28.39	39.83	18.98	20.85	47.65
2	Cuttack MC	2015-16	154.64	166.87	321.51	133.54	187.97	41.54
		2016-17	187.97	165.63	353.6	170.49	183.11	48.22
		2017-18	183.11	210.29	393.4	156.02	237.38	39.66
		2018-19	237.38	215.33	452.71	201.25	251.46	44.45
		2019-20	251.46	300.48	551.94	201.49	350.45	36.51
3	Balugaon NAC	2015-16	5.85	6.69	12.54	5.5	7.04	43.86
		2016-17	7.04	5.36	12.4	5.04	7.36	40.65
		2017-18	7.36	5.97	13.33	5.47	7.86	41.04
		2018-19	7.86	8.97	16.83	8.7	8.13	51.69
		2019-20	8.13	9.11	17.24	8.37	8.87	48.55
4	PM	2015-16	25.94	61.92	87.86	54.32	33.54	61.83

	2016-17	33.54	70.92	104.46	107.6	-3.14	103.01
	2017-18	-3.14	120.49	117.35	69.21	48.14	58.98
	2018-19	48.14	76.78	124.92	120.98	3.94	96.85
	2019-20	3.94	121.81	125.75	122.33	3.42	97.28
5	2015-16	782.59	185.99	968.58	190.23	778.35	19.64
	2016-17	778.35	208.60	986.95	210.4	776.55	21.32
	2017-18	776.55	250.92	1027.47	221.03	806.44	21.51
	2018-19	806.44	261.68	1068.12	255.39	812.73	23.91
	2019-20	812.73	291.90	1104.63	227.95	876.68	20.64
6	2015-16	5.55	6.24	11.79	3.88	7.91	32.91
	2016-17	7.91	5.49	13.4	3.4	10	25.37
	2017-18	10	8.28	18.28	6.77	11.51	37.04
	2018-19	11.51	6.28	17.79	7.1	10.69	39.91
	2019-20	10.69	18.2	28.89	7.5	21.39	25.96
7	2015-16	3.23	3.49	6.72	1.04	5.68	15.48
	2016-17	5.68	5.02	10.7	3.78	6.92	35.33
	2017-18	6.92	8.14	15.06	2.59	12.47	17.20
	2018-19	12.47	9.29	21.76	7.87	13.89	36.17
	2019-20	13.89	12.42	26.31	8.42	17.89	32.00
8	2015-16	2.67	4.02	6.69	1.5	5.19	22.42
	2016-17	5.19	2	7.19	0.71	6.48	9.87
	2017-18	6.48	2	8.48	0.68	7.8	8.02
	2018-19	7.8	4.99	12.79	1.42	11.37	11.10
	2019-20	11.37	5.14	16.51	4.23	12.28	25.62

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9	Kendrapara Municipality	2015-16		7.05	10.47	17.52	7.04	10.48	40.18
		2016-17		10.48	14.2	24.68	10.53	14.15	42.67
		2017-18		14.15	12.16	26.31	12.82	13.49	48.73
		2018-19		13.49	12.83	26.32	12.3	14.02	46.73
		2019-20		14.02	18.03	32.05	13.35	18.7	41.65
10	Rayagada Municipality	2015-16		15.99	22.18	38.17	19.72	18.45	51.66
		2016-17		18.45	33.74	52.19	23.84	28.35	45.68
		2017-18		28.35	24.88	53.23	24.41	28.82	45.86
		2018-19		28.82	33.11	61.93	23.14	38.79	37.36
		2019-20		38.79	44.95	83.74	27.06	56.68	32.31
11	Jharsuguda Municipality	2015-16		50.37	25.01	75.38	15.31	60.07	20.31
		2016-17		60.07	30.35	90.42	19.44	70.98	21.50
		2017-18		70.98	35.6	106.58	21.56	85.02	20.23
		2018-19		85.02	33.33	118.35	52.17	66.18	44.08
		2019-20		66.18	36.38	102.56	14.86	87.7	14.49
12	Vyas nagar Municipality	2015-16		-2.21	15.89	13.68	9.76	3.92	71.35
		2016-17		3.92	14.75	18.67	8.97	9.7	48.04
		2017-18		9.7	16.13	25.83	13.6	12.23	52.65
		2018-19		12.23	16.76	28.99	19.14	9.85	66.02
		2019-20		9.85	23.79	33.64	8.89	24.75	26.43
13	Koraput Municipality	2015-16		31.36	14.09	45.45	15.1	30.35	33.22
		2016-17		30.35	15.14	45.49	17.4	28.09	38.25
		2017-18		28.09	19.47	47.56	19.24	28.32	40.45
		2018-19		28.32	20.75	49.07	28.3	20.77	57.67
		2019-20		20.77	21.49	42.26	18.48	23.78	43.73

14	Bhadrak Municipality	2015-16	41.83	29.52	71.35	16.1	55.25	22.56
		2016-17	55.25	27.54	82.79	33.74	49.05	40.75
		2017-18	49.05	31.1	80.15	24.4	55.75	30.44
		2018-19	55.75	35.82	91.57	32.63	58.94	35.63
		2019-20	58.94	55.7	114.64	44	70.64	38.38
15	Jajpur Municipality	2015-16	48.13	10.76	58.89	9.6	49.29	16.30
		2016-17	49.29	12.8	62.09	13.95	48.14	22.47
		2017-18	48.14	10.1	58.24	25.28	32.96	43.41
		2018-19	32.96	18.44	51.4	19.85	31.55	38.62
		2019-20	31.55	20.02	51.57	18.79	32.78	36.44
16	Sunabeda Municipality	2015-16	7.97	14.81	22.78	11.26	11.52	49.43
		2016-17	11.52	16.1	27.62	9.94	17.68	35.99
		2017-18	17.68	18.89	36.57	12.61	23.96	34.48
		2018-19	23.96	19.34	43.3	15.9	27.4	36.72
		2019-20	27.4	24.34	51.74	15.65	36.09	30.25
17	Bargarh Municipality	2015-16	-14.31	13.02	-1.29	6.29	-7.58	-487.60
		2016-17	-7.58	36.86	29.28	22.43	6.85	76.61
		2017-18	6.85	28.27	35.12	28.23	6.89	80.38
		2018-19	6.89	38.03	44.92	5	39.92	11.13
		2019-20	39.92	0.69	40.61	0.19	40.42	0.47
18	Berhampur Municipality Corporation	2015-16	264.3	103.49	367.79	85.5	282.29	23.25
		2016-17	282.29	189.33	471.62	138.91	332.71	29.45
		2017-18	332.71	186.57	519.28	252.71	266.57	48.67
		2018-19	266.57	114.98	381.55	157.8	223.75	41.36
		2019-20	223.75	195.04	418.79	155.85	262.94	37.21

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19	Rourkela Municipal Corporation	2015-16	130.01	82.76	212.77	106.07	106.7	49.85
		2016-17	106.7	282.2	388.9	251.8	137.1	64.75
		2017-18	137.1	97.36	234.46	88.44	146.02	37.72
		2018-19	146.02	138.38	284.4	71.9	212.5	25.28
		2019-20	212.5	154.78	367.28	91.19	276.09	24.83
20	Bhawanipatna Municipality	2015-16	16.29	15.96	32.25	18.01	14.24	55.84
		2016-17	14.24	21.53	35.77	18.9	16.87	52.84
		2017-18	16.87	22.61	39.48	20.3	19.18	51.42
		2018-19	19.18	21.77	40.95	21.03	19.92	51.36
		2019-20	19.92	30.42	50.34	21.03	29.31	41.78
	TOTAL	2015-16	1585.16	807.46	2392.62	718.65	1673.97	30.04
		2016-17	1673.97	1170.94	2844.91	1084.31	1760.6	38.11
		2017-18	1760.6	1125.39	2885.99	1021.53	1864.46	35.40
		2018-19	1864.46	1107.31	2971.77	1084.53	1887.24	36.49
		2019-20	1887.24	1413.08	3300.32	1028.61	2271.71	31.17

Appendix 5.16
(Refer Paragraph No 5.4.2.3)

Own Revenue to Revenue Expenditure

SL No	Name of the ULB	Year	Own revenue (₹ in crore)	Revenue Expenditure (₹ in crore)	Percentage of own revenue to revenue expenditure
1	Khordha Municipality	2015-16	1.34	8.87	15.11
		2016-17	1.74	13.04	13.34
		2017-18	1.38	16.16	8.54
		2018-19	1.8	22.65	7.95
		2019-20	2.25	18.98	11.85
		Total	8.51	79.7	10.68
2	Cuttack MC	2015-16	18.21	133.57	13.63
		2016-17	19.51	170.48	11.44
		2017-18	40.24	156.02	25.79
		2018-19	22.81	201.25	11.33
		2019-20	49.28	201.49	24.46
		Total	150.05	862.81	17.39
3	Balugaon NAC	2015-16	0.37	5.49	6.74
		2016-17	0.46	5.04	9.13
		2017-18	0.53	5.47	9.69
		2018-19	0.62	8.7	7.13
		2019-20	0.57	8.37	6.81
		Total	2.55	33.07	7.71
4	Puri Municipality	2015-16	5.43	21.11	25.72
		2016-17	4.14	36.2	11.44
		2017-18	7.34	35.38	20.75
		2018-19	6.52	37.21	17.52
		2019-20	7.38	39.93	18.48
		Total	30.81	169.83	18.14
5	Bhubaneswar MC	2015-16	58.64	190.22	30.83
		2016-17	83.99	210.4	39.92
		2017-18	135.03	221.03	61.09
		2018-19	101.26	255.39	39.65
		2019-20	111.14	227.95	48.76
		Total	490.06	1104.99	44.35
6	Konark NAC	2015-16	0.37	3.88	9.54
		2016-17	0.74	3.4	21.76
		2017-18	0.95	6.77	14.03

		2018-19	0.68	7.1	9.58
		2019-20	0.51	7.5	6.80
		Total	3.25	28.65	11.34
7	Dasapalla NAC	2015-16	0.04	0	0.00
		2016-17	0.04	0	0.00
		2017-18	0.08	0	0.00
		2018-19	0.1	0	0.00
		2019-20	0.48	0	0.00
		Total	0.74	0	0.00
8	Ranapur NAC	2015-16	0	0	0.00
		2016-17	0.01	0	0.00
		2017-18	0.08	0	0.00
		2018-19	0.02	0	0.00
		2019-20	0.04	0	0.00
		Total	0.15	0	0.00
9	Kendrapara Municipality	2015-16	0.7	4.32	16.20
		2016-17	0.74	5.6	13.21
		2017-18	0.89	8.73	10.19
		2018-19	0.85	9.25	9.19
		2019-20	1.08	10.04	10.76
		Total	4.26	37.94	11.23
10	Rayagada Municipality	2015-16	2.44	19.72	12.37
		2016-17	2.91	23.84	12.21
		2017-18	2.44	24.42	9.99
		2018-19	1.98	23.13	8.56
		2019-20	2.56	27.05	9.46
		Total	12.33	118.16	10.44
11	Jharsuguda Municipality	2015-16	2.8	7.4	37.84
		2016-17	1.1	9.93	11.08
		2017-18	3.09	12.83	24.08
		2018-19	3.38	13.96	24.21
		2019-20	3.4	9.69	35.09
		Total	13.77	53.81	25.59
12	Vyasagar Municipality	2015-16	0.71	6.51	10.91
		2016-17	0.68	6.61	10.29
		2017-18	1.58	7.68	20.57
		2018-19	1.15	14.55	7.90
		2019-20	1.27	6.48	19.60
		Total	5.39	41.83	12.89
13	Koraput Municipality	2015-16	0.65	8.93	7.28
		2016-17	0.93	9.5	9.79

		2017-18	1.34	14.8	9.05
		2018-19	1.48	20.55	7.20
		2019-20	1.5	18.48	8.12
		Total	5.9	72.26	8.16
14	Bhadrak Municipality	2015-16	1.76	10.49	16.78
		2016-17	2.92	23.52	12.41
		2017-18	2.53	17.95	14.09
		2018-19	2.99	20.72	14.43
		2019-20	3.21	37.34	8.60
		Total	13.41	110.02	12.19
15	Jajpur Municipality	2015-16	0.22	4.03	5.46
		2016-17	0.4	5.54	7.22
		2017-18	1.36	0.59	230.51
		2018-19	1.07	6.59	16.24
		2019-20	1.83	7.94	23.05
		Total	4.88	24.69	19.77
16	Sunabeda Municipality	2015-16	0.9	5.36	16.79
		2016-17	1.15	5.78	19.90
		2017-18	1	8.18	12.22
		2018-19	1.68	8.89	18.90
		2019-20	1.39	15.65	8.88
		Total	1.41	43.86	3.21
17	Bargarh Municipality	2015-16	0.68	17.34	3.92
		2016-17	1.42	15.73	9.03
		2017-18	1.83	15.73	11.63
		2018-19	4.11	24.31	16.91
		2019-20	1.94	0	0.00
		Total	9.98	73.11	13.65
18	Berhampur Municipal Corporation	2015-16	9.7	32.86	29.52
		2016-17	10.03	37.02	27.09
		2017-18	11.6	63.11	18.38
		2018-19	10.69	72.82	14.68
		2019-20	17.23	86.91	19.83
		Total	59.25	292.72	20.24
19	Rourkela Municipal Corporation	2015-16	9.68	106.07	9.13
		2016-17	12.25	253.25	4.84
		2017-18	10.69	88.44	12.09
		2018-19	10.13	71.9	14.09
		2019-20	15.56	91.2	17.06
		Total	58.31	610.86	9.55

20	Bhawanipatna Municipality	2015-16	1.2	6.79	17.67
		2016-17	1.86	6.93	26.84
		2017-18	2.32	6.81	34.07
		2018-19	1.79	15.23	11.75
		2019-20	1.86	15.23	12.21
		Total	9.03	50.99	17.71
	TOTAL	2015-16	115.84	592.96	19.54
		2016-17	147.02	841.81	17.46
		2017-18	226.3	710.1	31.87
		2018-19	175.11	834.2	20.99
		2019-20	224.48	830.23	27.04
	G.Total		888.75	3809.3	23.33

Appendix 5.17
(Refer Paragraph No 5.6.2.1)

Details of Staff strength & Persons-in-Position

SL No	Name of ULB	Population as per 2011 Census	Projected Population for the year 2020	Sanction Strength	Sanctioned strength per 1000 population		Persons-in-Position	Vacancy	Vacancy (in %)
					2011 Census	2020 (Expected)			
1	Puri Municipality	2,00,564	2,73,349	721	3.59	2.64	204	517	71.71
2	BMC	8,43,402	11,49,473	1,347	1.60	1.17	946	401	29.77
3	Konark NAC	16,779	22,868	28	1.67	1.22	18	10	35.71
4	Kendrapara Municipality	47,006	64,064	69	1.47	1.08	43	26	37.68
5	Jajpur Municipality	37,458	51,052	58	1.55	1.14	47	11	18.97
6	Vyasnagar Municipality	48,911	66,661	77	1.57	1.16	54	23	29.87
7	Berhampur Municipal Corporation	3,56,598	4,86,007	269	0.75	0.55	154	115	42.75
8	Khurda Municipality	46,200	62,966	126	2.73	2.00	83	43	34.13
9	CMC	6,10,189	8,31,627	1,642	2.69	1.97	1073	569	34.65
10	Balugaon NAC	17,635	24,035	43	2.44	1.79	34	9	20.93
11	Rayagada Municipality	71,208	97,049	78	1.10	0.80	66	12	15.38
12	Koraput Municipality	47,468	64,694	74	1.56	1.14	39	35	47.30
13	Sunabeda Municipality	50,394	68,682	60	1.19	0.87	35	25	41.67
14	Rourkela Municipal Corporation	5,52,239	7,52,647	447	0.81	0.59	240	207	46.31
15	Ranapur NAC	14,715	20,055	5	0.34	0.25	5	0	0.00
16	Dasapalla NAC	18,471	25,174	4	0.22	0.16	4	0	0.00
17	Jharsuguda Municipality	97,730	1,33,196	78	0.80	0.59	59	19	24.36
18	Bhadrak Municipality	1,07,369	1,46,333	111	1.03	0.76	83	28	25.23
19	Baragarh Municipality	80,265	1,09,393	273	3.40	2.50	214	59	21.61
20	Bhawanipatna Municipality	69,045	94,101	107	1.55	1.14	65	42	39.25
	TOTAL	33,33,646	45,43,426	5,617	1.68	1.24	3,466	2,151	38.29

Appendix 6.1

(Refer Paragraph No 6.7.1)

Details of Loss of Revenue due to non-revision of Shop Rent

Name of the Locality	No. of shops	Prevailing demand rate	Base year	Base Year Consumer Price Index (CPI)	CPI during 2017	Multiple factor (ratio of CPI 2017/CPI of base year (6/5)	Revised Rate, as per CPI2017 (3 x 7)	Total demand raised during FY 2020-21, by CMC	Total demand raised during FY 2019-20 and 2020-21, by CMC	Total demand due, as per revised rates, during FYs 2019-20 and 2020-21 (2 x 8 x 24 months)	Balance (In ₹)	
1	2	3	4	5	6	7	8	9	10	11	12	13
Odisha Military Police (OMP) Market Complex	87	225	1987	18.4827	155	8.3862206	1,887	2,34,900	2,34,900	4,69,800	39,40,056	34,70,256
	20	75	1987	18.4827	155	8.3862206	629	18,000	18,000	36,000	3,01,920	2,65,920
	8	300	1987	18.4827	155	8.3862206	2,516	28,800	28,800	57,600	4,83,072	4,25,472
	1	400	1987	18.4827	155	8.3862206	3,354	4,800	4,800	9,600	80,496	70,896
	1	450	1987	18.4827	155	8.3862206	3,774	5,400	5,400	10,800	90,576	79,776
Ranihat	28	700	2013	132.229	155	1.1722088	821	2,35,200	2,35,200	4,70,400	5,51,712	81,312
	1	90	2013	132.229	155	1.1722088	105	1,080	1,080	2,160	2,520	360
	1	900	2013	132.229	155	1.1722088	1,055	10,800	10,800	21,600	25,320	3,720
Pilgrim Road Market 8*8'	47	64	1978	8.3934	155	18.466891	1,182	36,096	36,096	72,192	13,33,296	12,61,104
	72	70	1978	8.3934	155	18.466891	1,193	60,480	60,480	1,20,960	20,61,504	19,40,544
	8	85	1978	8.3934	155	18.466891	1,570	8,160	8,160	16,320	3,01,440	2,85,120
	17	256	1978	8.3934	155	18.466891	4,728	52,226	52,226	1,04,452	19,29,024	18,24,572
	20	128	1978	8.3934	155	18.466891	2,364	30,720	30,720	61,440	11,34,720	10,73,280
	8	192	1978	8.3934	155	18.466891	3,546	18,432	18,432	36,864	6,80,832	6,43,968
	1	120	1978	8.3934	155	18.466891	2,216	1,440	1,440	2,880	53,184	50,304
Malgodam Old (18*11')	2	300	1978	8.3934	155	18.466891	5,540	7,200	7,200	14,400	2,65,920	2,51,520
	11	150	1978	8.3934	155	18.466891	2,770	19,800	19,800	39,600	7,31,280	6,91,680
	12	100	1982	12.2335	155	12.670127	1,267	14,400	14,400	28,800	3,64,896	3,36,096
Malgodam New (18*12')	21	215	1978	8.3934	155	18.466891	3,970	54,180	54,180	1,08,360	20,00,880	18,92,520
Jubilee Tower	4	6991	2005	66.8896	155	2.3172511	16,200	3,35,568	3,35,568	6,71,136	15,55,200	8,84,064
RSD New	45	400	1996	41.5126	155	3.7338061	1,494	2,16,000	2,16,000	4,32,000	16,13,520	11,81,520

Name of the Locality	No. of shops	Prevailing demand rate	Base year	Base Year Consumer Price Index (CPI)	CPI during 2017	Multiple factor (ratio of CPI 2017/CPI of base year (6/5)	Revised Rate, as per CPI2017 (3 x 7)	Total demand raised during FY 2020-21, by CMC	Total demand raised during FY 2019-20, by CMC	Total demand raised during FYs 2019-20 and 2020-21, by CMC	Total demand due, as per revised rates, during FYs 2019-20 and 2020-21 (2 x 8 x 24 months)	Balance
I	2	3	4	5	6	7	8	9	10	11	12	13
(10*10')												
R S D F F (9*6')	16	828	2009	93.0000	155	1.6666667	1,380	1,58,976	1,58,976	3,17,952	5,29,920	2,11,968
	2	414	2009	93.0000	155	1.6666667	690	9,936	9,936	19,872	33,120	13,248
	4	0	2009	93.0000	155	1.6666667	0	0	0	0	0	0
R S D Old (9*6)	7	288	1972	8.1191	155	19.090786	5,498	24,192	24,192	48,384	9,23,664	8,75,280
10*6'	2	81	1972	8.1191	155	19.090786	1,546	1,944	1,944	3,888	74,208	70,320
Chowdhury Bazar (12*8')	1	75	1970	4.77272	155	32.476240	2,436	900	900	1,800	58,464	56,664
	6	60	1970	4.77272	155	32.476240	1,949	4,320	4,320	8,640	2,80,656	2,72,016
	1	81	1970	4.77272	155	32.476240	2,631	972	972	1,944	63,144	61,200
	2	56	1970	4.77272	155	32.476240	1,819	1,344	1,344	2,688	87,312	84,624
	1	176	1970	4.77272	155	32.476240	5,716	2,112	2,112	4,224	1,37,184	1,32,960
Jubilee Market (14*12')	3	160	197	0	155	32.476240	5,196	5,760	5,760	11,520	3,74,112	3,62,592
	1	40	0	0	155	32.476240	1,299	480	480	960	31,176	30,216
Gadgadia Market (12*9')	14	450	2000	54.4211	155	2.848160	1,282	75,600	75,600	1,51,200	4,30,752	2,79,552
Bilmorla (8*8')	14	400	2017	155.0000	155	1.000000	400	67,200	67,200	1,34,400	1,34,400	0
College Square Permanent 8*8'	31	500	2013	132.229	155	1.1722088	586	1,86,000	1,86,000	3,72,000	4,35,984	63,984
College Square Temporary 8*8'	2	700	2013	132.229	155	1.1722088	821	16,800	16,800	33,600	39,408	5,808
Badambadi New 8*8'	18	465	2005	66.8896	155	2.3172511	1,078	1,00,440	1,00,440	2,00,880	4,65,696	2,64,816
Badambadi Old 10*12'	4	700	1995	37.9921	155	4.0797955	2,856	33,600	33,600	67,200	2,74,176	2,06,976

Audit Report (Local Bodies) for the year ended March 2021

Name of the Locality	No. of shops	Prevailing demand rate	Base year	Base Year Consumer Price Index (CPI)	CPI during 2017	Multiple factor (ratio of CPI 2017/CPI of base year (6/5)	Revised Rate, as per CPI 2017 (3 x 7)	Total demand raised during FY 2020-21, by CMC	Total demand raised during FY 2019-20, by CMC	Total demand raised during FYs 2019-20 and 2020-21, by CMC	Total demand due, as per revised rates, during FYs 2019-20 and 2020-21 (2 x 8 x 24 months)	Balance
I	2	3	4	5	6	7	8	9	10	11	12	13
Nuapada Market (10*12')	10	1190	2008	82.2918	155	1.8835413	2,241	1,42,800	1,42,800	2,85,600	5,37,840	2,52,240
Pottapokhari (14*10')	24	1150	2009	93	155	1.6666667	1,917	3,31,200	3,31,200	6,62,400	11,04,192	4,41,792
Malgodamunder fly Over	21	400	1985	15.6956	155	9.8753791	3,950	1,00,800	1,00,800	2,01,600	19,90,800	17,89,200
	4	500	1985	15.6956	155	9.8753791	4,938	24,000	24,000	48,000	4,74,048	4,26,048
	54	200	1985	15.6956	155	9.8753791	1,975	1,29,600	1,29,600	2,59,200	25,59,600	23,00,400
	5	1000	1985	15.6956	155	9.8753791	9,875	60,000	60,000	1,20,000	11,85,000	10,65,000
	6	60	1985	15.6956	155	9.8753791	593	4,320	4,320	8,640	85,392	76,752
	31	50	1985	15.6956	155	9.8753791	494	18,600	18,600	37,200	3,67,536	3,30,336
Total	763							29,30,138	29,30,138	58,60,276	3,32,37,456	2,73,77,180

Appendix 6.2
(Refer Paragraph No. 6.7.3)
Quantity of Municipal Solid Waste transported between August 2017 and November 2021

Sl.No.	Month	Municipal Solid Waste				
		Quantity in MT	Cost of Transportation for 19.3 km at the rate of ₹153/TPD	Cost of transportation admissible for 16 km (In ₹)	Differential cost of conveyance for the shortest distance of 3.3 km (In ₹)	Undue benefit to agency (In ₹)
1	2	3	4	5	6	7
1	August 2017	4,650.00	153.00	126.84	26.16	1,21,646.90
2	September 2017	4,500.00	153.00	126.84	26.16	1,17,722.80
3	October 2017	4,650.00	153.00	126.84	26.16	1,21,646.90
4	November 2017	4,500.00	153.00	126.84	26.16	1,17,722.80
5	December 2017	4,650.00	153.00	126.84	26.16	1,21,646.90
6	January 2018	4,650.00	153.00	126.84	26.16	1,21,646.90
7	February 2018	4,200.00	153.00	126.84	26.16	1,09,874.60
8	March 2018	4,650.00	153.00	126.84	26.16	1,21,646.90
9	April 2018	4,500.00	153.00	126.84	26.16	1,17,722.80
10	May 2018	4,650.00	160.65	133.18	27.47	1,27,729.20
11	June 2018	4,500.00	160.65	133.18	27.47	1,23,608.90
12	July 2018	4,650.00	160.65	133.18	27.47	1,27,729.20
13	August 2018	4,650.00	160.65	133.18	27.47	1,27,729.20
14	September 2018	4,500.00	160.65	133.18	27.47	1,23,608.90
15	October 2018	4,650.00	160.65	133.18	27.47	1,27,729.20
16	November 2018	4,500.00	160.65	133.18	27.47	1,23,608.90
17	December 2018	4,650.00	160.65	133.18	27.47	1,27,729.20
18	January 2019	4,650.00	160.65	133.18	27.47	1,27,729.20
19	February 2019	4,200.00	160.65	133.18	27.47	1,15,368.30
20	March 2019	4,650.00	160.65	133.18	27.47	1,27,729.20

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Sl.No.	Month	Municipal Solid Waste				Undue benefit to agency (In ₹)
		Quantity in MT	Cost of Transportation for 19.3 km at the rate of ₹153/TPD	Cost of transportation admissible for 16 km (In ₹)	Differential cost of conveyance for the shortest distance of 3.3 km (In ₹)	
1	2	3	4	5	6	7
21	April 2019	4,500.00	160.65	133.18	27.47	1,23,608.90
22	May 2019	4,500.00	168.68	139.84	28.84	1,29,787.50
23	June 2019	5,430.62	168.68	139.84	28.84	1,56,628.10
24	July 2019	6,010.63	168.68	139.84	28.84	1,73,356.50
25	August 2019	5,900.81	168.68	139.84	28.84	1,70,189.10
26	September 2019	4,890.99	168.68	139.84	28.84	1,41,064.30
27	October 2019	6,048.33	168.68	139.84	28.84	1,74,443.90
28	November 2019	5,611.48	168.68	139.84	28.84	1,61,844.40
29	December 2019	5,369.09	168.68	139.84	28.84	1,54,853.50
30	January 2020	4,902.62	168.68	139.84	28.84	1,41,399.70
31	February 2020	4,731.32	168.68	139.84	28.84	1,36,459.10
32	March 2020	5,144.57	168.68	139.84	28.84	1,48,377.90
33	April 2020	4,350.00	168.68	139.84	28.84	1,25,461.20
34	May 2020	4,804.68	177.11	146.83	30.28	1,45,500.40
35	June 2020	4,695.94	177.11	146.83	30.28	1,42,207.40
36	July 2020	5,560.65	177.11	146.83	30.28	1,68,393.50
37	August 2020	5,396.04	177.11	146.83	30.28	1,63,408.60
38	September 2020	4,610.48	177.11	146.83	30.28	1,39,619.40
39	October 2020	5,577.66	177.11	146.83	30.28	1,68,908.60
40	November 2020	5,064.65	177.11	146.83	30.28	1,53,373.10
41	December 2020	5,647.14	177.11	146.83	30.28	1,71,012.70
42	January 2021	5,556.78	177.11	146.83	30.28	1,68,276.30
43	February 2021	4,749.76	177.11	146.83	30.28	1,43,837.30
44	March 2021	6,078.41	177.11	146.83	30.28	1,84,072.80

Sl.No.	Month	Municipal Solid Waste				
		Quantity in MT	Cost of Transportation for 19.3 km at the rate of ₹153/TPD	Cost of transportation admissible for 16 km (In ₹)	Differential cost of conveyance for the shortest distance of 3.3 km (In ₹)	Undue benefit to agency (In ₹)
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
45	April 2021	5,370.55	177.11	146.83	30.28	1,62,636.70
46	May 2021	4,513.99	185.97	154.17	31.80	1,43,535.80
47	June 2021	5,002.14	185.97	154.17	31.80	1,59,057.90
48	July 2021	5,489.07	185.97	154.17	31.80	1,74,541.30
49	August 2021	6,259.75	185.97	154.17	31.80	1,99,047.40
50	September 2021	6,203.68	185.97	154.17	31.80	1,97,264.50
51	October 2021	6,417.96	185.97	154.17	31.80	2,04,078.20
52	November 2021	6,343.30	185.97	154.17	31.80	2,01,704.10
Total		2,61,933.09				75,79,527.00

As per clause 12.2 of the contract, the escalation rate for transportation would be five *per cent* per annum on the agreed rate. The escalation calculation is based on the compounded annual rates, after taking the annual increment into account.

Appendix 6.3
(Refer Paragraph No. 6.7.4)
Diversion of Central Funds

(In ₹)

Date of Transfer of funds	From NSAP			To Madhu Babu Pension Yojana
	IGNOAP	IGNWP	Indira Gandhi National Disable Pension (IGNDP)	
	Account No. 918010009978086	Account No. 918010009896188	Account No. 918010007963129	Account No. 910010028148518
04.09.2020	3,00,00,000.00			3,00,00,000.00
04.09.2020		1,00,00,000.00		1,00,00,000.00
08.04.2021		75,00,000.00		75,00,000.00
06.07.2021	27,00,000.00			27,00,000.00
Total	3,27,00,000.00	1,75,00,000.00		5,02,00,000.00

Appendix 6.4
(Refer Paragraph No. 6.7.4)

Drawal of self-cheques

(In ₹)

Date of Transfer	From MBPY/NSAP			To self -cheque
	MBPY	IGNWP	IGNDP	
	Account No. 910010028148518	Account No. 918010009896188	Account No. 918010007963129	
11.09.2020	2,00,10,259.00			2,00,10,259.00
16.03.2021			6,93,844.00	6,93,844.00
16.03.2021		92,43,463.00		92,43,463.00
Total	2,00,10,259.00	92,43,463.00	6,93,844.00	2,99,47,566.00

Appendix 6.5
(Refer Paragraph No. 6.7.6)
Unadjusted advances in ULBs

Sl. No. <i>1</i>	Name of the ULB <i>2</i>	Period of Advance <i>3</i>	Type of advance <i>4</i>	Unadjusted amount <i>5</i>	(In ₹)
1	Cuttack Municipal Corporation, Cuttack	2019-20	Advance for Aahar Centre, Construction of toilet and for COVID- 19 etc.	2,03,94,242.00	
		Sub Total		2,03,94,242.00	
2	Bhubaneswar Municipal Corporation, Bhubaneswar	2013-14	Local self-day function advance, medical advance and heritage works etc.	8,000.00	
		2014-15	do	2,95,550.00	
		2015-16	do	1,00,000.00	
		2016-17	do	5,91,000.00	
		2017-18	do	1,40,000.00	
		2018-19	do	1,26,00,000.00	
		Sub Total		1,37,34,550.00	
3	Sambalpur Municipal Corporation	2017-18	Utkal Divas, Republic Day	65,000.00	
		2018-19	Celebration of Jan 26, August 15	5,50,000.00	
		2019-20	Purchase of office stationery, Advance for HarischandraSahayata Scheme	11,23,100.00	
		2020-21	Advance for HarischandraSahayata Scheme, COVID-19	18,19,000.00	
		Sub Total		35,57,100.00	
4	Athmallik NAC	Unclassified amount		24,10,691.00	
		2011-12	Works	50,000.00	
		2012-13	Works	3,50,000.00	
		2013-14	Works	60,000.00	
		Sub total		28,70,691.00	
5	Rairangpur Municipality	Unclassified amount		13,31,945.00	
		2001-02	Advertisement	11,350.00	
		2002-03	Purchase of court fee	5,000.00	
		2004-05	Works, Booth arrangement	38,980.00	
		2005-06	Works, TA advance and High Court expenditure	36,000.00	
		2006-07	Advertisement	22,000.00	
		2007-08	Construction of kitchen shed	65,000.00	

Sl. No. 1	Name of the ULB 2	Period of Advance 3	Type of advance 4	Unadjusted amount 5
		2008-09	Construction of kitchen shed	95,000.00
		2009-10	Works, Tree plantation	1,02,000.00
		2010-11	Works	2,48,000.00
		2011-12	Works	1,08,000.00
		2013-14	TA advance	20,000.00
		2015-16	SBM awareness camp	12,500.00
		2017-18	TA advance	3,17,000.00
		2018-19	Vehicle advance	1,51,000.00
		2019-20	Vehicle advance	10,000.00
		Sub total		25,73,775.00
6	Talcher Municipality	2013-14	Construction of Community centre, CC road, expenses on legal affairs	4,70,000.00
		2014-15	Preparation of estimate	1,12,360.00
		2015-16	Renovation of Shiva Mandir	2,00,000.00
		2018-19	expenses on legal affairs	3,000.00
		Sub Total-		7,85,360.00
7	Subarnpur Municipality	2012-13	Celebration of Swachha Bharat Saptaha, ULB Election, Construction of community centre	2,22,000.00
		2013-14	do	8,04,597.00
		2014-15	do	1,46,000.00
		2015-16	do	75,000.00
		2017-18	do	27,800.00
		2018-19	do	20,000.00
		2019-20	do	1,00,000.00
		Sub Total		13,95,397.00
8	Sundargarh Municipality	2005-06	Repair of Tractor	5,000.00
		2006-07	Repair of Tractor, Preparation of New Year, Independence day, purchase of chair and table etc	5,58,843.00
		2007-08	Preparation of New Year, Independence day, purchase of chair and table, TA advance, High court matter etc	1,91,700.00
		2008-09	do	79,000.00
		2009-10	do	81,660.00
		2010-11	do	1,46,395.00
		2011-12	do	96,650.00
		2012-13	do	69,500.00

Audit Report (Local Bodies) for the year ended March 2021

Sl. No. <i>1</i>	Name of the ULB <i>2</i>	Period of Advance <i>3</i>	Type of advance <i>4</i>	Unadjusted amount <i>5</i>
		2013-14	do	25,000.00
		2014-15	do	20,000.00
		2015-16	do	55,000.00
		2017-18	do	20,000.00
		2018-19	do	8,000.00
		2019-20	do	60,000.00
		2020-21	do	3,00,000.00
		Sub Total	do	17,16,748.00
	Grand Total			4,70,27,863.00

GLOSSARY

Glossary of abbreviations

AAP	Annual Action Plan
ABDO	Additional Block Development Officer
AGAB	Ama Gaon Ama Bikash
AIP	Annual Implementation Plan
ATIR	Annual Technical Inspection Report
ATN	Action Taken Report
BASUDHA	Buxi Jagabandhu Assured Water Supply to Habitations
BCC	Behaviour Change Communication
BDA	Bhubaneswar Development Authority
BDO	Block Development Officer
BeDA	Berhampur Development Authority
BeMC	Berhampur Municipal Corporation
BLC	Beneficiary led Individual House Construction
BMC	Bhubaneswar Municipal Corporation
BPC	Block Project Coordinator
BPL	Below Poverty Line
BPGY	Biju Pucca Ghar Yojana
CA	Chartered Accountant
CAA	Constitutional Amendment Act
CAG	Comptroller and Auditor General
CBRI	Central Building Research Institute
CDA	Cuttack Development Authority
CDP	Comprehensive Development Plan
CE	Chief Engineer
CEO	Chief Executive Officer
CFC	Central Finance Commission
CMC	Cuttack Municipal Corporation
CSS	Centrally Sponsored Scheme
CTPT	Community Toilets/Public Toilets
DBT	Direct Benefit Transfer
DCA	District Centric Audit
DCB	Demand, Collection and Balance
D2D	Door to Door
DDP	District Development Plan
DLFA	Directorate of Local Fund Audit
DM	District Magistrate
DMA	Directorate of Municipal Administration
DPC	District Planning Committee
DRDA	District Rural Development Agency
DSP	District Swachhta Plan
DTP	Directorate of Town Planning
DUDA	District Urban Development Agency
EC	Empowered Committee
EO	Executive Officer
EPC	Engineering Procurement and Construction
EWS	Economic Welfare Sections

FBO	Food Business Operators
FC	Finance Commission
FFI	Framework for Implementation
FL	Foundation Level
FSO	Food Safety Officer
FSS	Food Safety and Standard
FSTP	Fecal Sludge Treatment Plant
FTO	Fund Transfer Order
FY	Financial Year
GeM	Government e-Market Place
GGY	Gopabandhu Gramin Yojana
GoO	Government of Odisha
GoI	Government of India
GP	Gram Panchayat
GPTAs	Gram Panchayat Technical Assistants
GRS	Gram Rojagar Sevak
G&SSA	General and Social Sector Audit
HFAPoA	Housing For All Plan of Action
HHs	House Holds
H&UD	Housing and Urban Development
IPAI	Institute of Public Auditors of India
IR	Inspection Report
IAY	Indira Awaas Yojana
IAP	Integrated Action Plan
ICDP	Integrated Corporation Development Plans
IDCO	Odisha Industrial Infrastructure Development Corporation
IEC	Information, Education and Communication
IGNOAPS	Indira Gandhi National Old Age Pension Scheme
IGNWPS	Indira Gandhi National Widow Pension Scheme
IHHL	Individual House Hold Latrines
IHSDP	Integrated Housing and Slum Development Programme
IIT	Indian Institute of Technology
IMFA	Indian Metal and Ferro Alloys
JEs	Junior Engineers
JPI	Joint Physical Inspection
JICA	Japan International Corporation Agency
KNDA	Kalinga Nagar Development Authority
LB	Local Bodies
LFS	Local Fund Service
LPG	Liquefied Petroleum Gas
LWE	Left Wing Extremist
MBPY	Madhu Babu Pension Yojana
MC	Municipal Corporation
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MIS	Management Information System

MIP	Men In Position
MLA	Member of Legislative Assembly
MLALAD	Member of Legislative Assembly Local Area Development
MP	Member of Parliament
MPLAD	Member of Parliament Local Area Development
MoA	Memorandum of Agreement
MoRD	Ministry of Rural Development
MoUD	Ministry of Urban Development
MSWM	Municipal Solid Waste Management
MT	Metric Ton
MV	Motor Vehicle
NAC	Notified Area Council
NMAM	National Municipal Accounts Manual
NRLM	National Rural Livelihood Mission
NRDWP	National Rural Drinking Water Project
NSAP	National Social Assistance Programme
OBCC	Odisha Bridge Construction Corporation
ODF	Open Defecation Free
OGFR	Odisha General Financial Rules
OISIP	Odisha Integrated Sanitation Improvement Project
OLFA	Odisha Local Fund Audit
OLHM	Odisha Liveable Habitat Mission
O&M	Operation and Maintenance
OMA	Odisha Municipal Act
OMCA	Odisha Municipal Corporation Act.
OMAR	Odisha Municipal Administrative Rules
OMAS	Odisha Municipal Administrative Service
OMFED	Odisha State Cooperative Milk Producers' Federation limited
OPWD	Odisha Public Works Department
ORMAS	Odisha Rural Development and Marketing Society
OTC	Odisha Treasury Code
OWSM	Odisha Water and Sanitation Mission
OWSSB	Odisha Water Supply and Sewerage Board
PA	Performance Audit
PD	Project Director
PEO	Panchayat Executive Officer
PFMS	Public Fund Management System
PHEO	Public Health Engineering Organisation
PIA	Project Implementing Agency
PIP	Project Implementation Plan
PMAY-G	Pradhan Mantri Awaas Yojan-Gramin
PMAY-U	Pradhan Mantri Awaas Yojan-Urban
PMU	Programme Management Unit
PRI	Panchayati Raj Institution
PR&DW	Panchayati Raj and Drinking Water
PS	Panchayat Samiti

PwD	Persons with Disabilities
PWL	Permanent Wait List
PWS	Piped Water System
QR	Quick Response
RAY	Rajiv Awaas Yojana
RDA	Rourkela Development Authority
REEL	Ramky Enviro Engineers Pvt. Ltd.
RITs	Regional Improvement Trusts
RMC	Rourkela Municipal Corporation
R&B	Roads & Building
SAU	Social Audit Unit
SBM	Swachh Bharat Mission
SBM-G	Swachh Bharat Mission-Gramin
SBM-U	Swachh Bharat Mission-Urban
SEC	State Election Commission
SECC	Socio Economic and Caste Census
SFC	State Finance Commission
SHGs	Self Help Groups
SLBs	Service Level Benchmarks
SLC	State Level Committee
SLWM	Solid and Liquid Waste Management
SMCVC	State Municipal Corporation Valuation Committee
SMC	Sambalpur Municipal Corporation
SNA	State Nodal Account
SOP	Standard Operating Procedures
SPAs	Special Planning Authorities
SPHL	State Public Health Laboratory
SUDA	State Urban Development Agency
SPAs	Special Planning Authorities
SPSs	Sewerage Pumping Stations
SSEPD	Social Security and Empowerment of Persons with Disability
ST&SC	Scheduled Tribe and Scheduled Caste
STP	Sewerage Treatment Plant
SWM	Solid Waste Management
TCM	Triangular Committee Meeting
TDS	Tax Deducted at Source
TFC	Thirteenth Finance Commission
TGS	Technical Guidance and Support
TPAs	Town Planning Authorities
TPQMA	Third Party Quality Monitoring Agency
UC	Utilisation Certificate
UDAs	Urban Development Authorities
ULB	Urban Local Body
WATCO	Water Corporation
WBM	Water Bound Mecedam
ZP	Zilla Parishad