



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

**Report of the
Comptroller and Auditor General of India on
Functioning of Micro Project Agencies for development
of Particularly Vulnerable Tribal Groups in the State &
Implementation of Mahatma Gandhi National Rural
Employment Guarantee Scheme in the State**



**Government of Odisha
Report No. 8 of 2025
(Performance Audit-Civil)**

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Comptroller and Auditor General of India on
Functioning of Micro Project Agencies for development of
Particularly Vulnerable Tribal Groups in the State
and
Implementation of Mahatma Gandhi National Rural
Employment Guarantee Scheme in the State**

**Government of Odisha
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Preface

This Performance Audit Report for the period ended March 2024 has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution of India for being laid before the State Legislature.

The Report contains significant results of Performance Audits on 'Functioning of Micro Project Agencies for development of Particularly Vulnerable Tribal Groups in the State' and 'Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in the State.'

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2019-20 to 2023-24, as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2023-24 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.

Executive Summary

EXECUTIVE SUMMARY

This Report contains matters arising out of two performance audits. The Report has been organised into the following chapters:

Chapter 1: Performance Audit on Functioning of Micro Project Agencies for development of Particularly Vulnerable Tribal Groups in the State.

Chapter 2: Performance Audit on Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in the State.

CHAPTER 1: Performance Audit on Functioning of Micro Project Agencies for development of Particularly Vulnerable Tribal Groups in the State

About the Report

During the 5th Five Year Plan period (1974-79), the Government of India (GoI) decided to lay special emphasis on the all-round development of vulnerable tribal groups and identified 75 such groups in the country for the purpose of giving special attention for their sustainable development. Out of the 75 'Particularly Vulnerable Tribal Groups (PVTGs)' identified in the country, 13 PVTGs belong to Odisha with a population of 2.94 lakhs. For uplifting the socio-economic status of the PVTGs, the Government of Odisha (GoO) established 20 Micro Project Agencies (MPAs) during the period 1976-77 to 2020-21 across 14 districts of the State. To adopt an integrated approach towards inclusive planning, better management and mobilisation of available resources in the implementation of schemes/ programmes for PVTGs, the GoO launched (2016-17) the Odisha PVTG Empowerment and Livelihood Improvement Programme (OPELIP). All developmental programmes of the Central and State Governments for PVTGs were implemented in Odisha under OPELIP. The programme implementation period was for eight years (2016-2024).

Why did we take up this Audit?

To assess the overall impact and effectiveness of the schemes/ programme interventions implemented by the MPAs, Performance Audit on 'Functioning of Micro Project Agencies for development of Particularly Vulnerable Tribal Groups in the State' was conducted between July 2024 and January 2025. The coverage of the audit was from 2019-20 to 2023-24, with the objective to assess whether planning to improve the income level and other socio-economic conditions of the PVTG households was in place and was effective; Micro Project Agencies, as institutional mechanism, were able to execute the plans and programmes effectively; Interventions extended by the Micro Project Agencies had been carried out in an economic, efficient and effective manner to improve income levels and other socio-economic conditions of the PVTG households; and Monitoring and evaluation mechanism was in place and was functioning effectively.

Major Audit Findings

Audit noticed that although the establishment of MPAs and implementation of schemes/ programmes including OPELIP had contributed to improving the

socio-economic conditions of a section of the PVTG population, the overall performance was sub-optimal. Implementation of schemes and programmes by the MPAs for development of PVTGs, also suffered from various shortcomings. The major findings of the Performance Audit are summarised below:

- The SSD department and its field formations had an apathetic approach towards implementing developmental programmes in newly notified (June 2020) 1,138 villages, due to which 1.60 lakh (54 *per cent*) PVTG population remained excluded from the coverage of welfare programmes/ schemes. The PVTG specific programmes had been implemented only in 541 villages having 1.34 lakh PVTG population.

(Paragraph 1.5.1)

- There were deficiencies in the administration of the 'PVTG Empowerment Fund' as instances of irregular payment of loan to ineligible SHGs (₹6.39 crore) were noticed. Repayment rate was low (45 *per cent*), as out of ₹12.95 crore loan provided to 1,437 PVTG SHGs, ₹7.10 crore was outstanding for recovery, as of March 2024.

(Paragraph 1.8.1)

- Late marriage incentive programme with the aim of curbing child marriage, was not executed in its true spirit, and only 43 *per cent* villages had been covered under the programme, during 2019-24.

(Paragraph 1.8.2)

- In the absence of proper arrangement for repair and maintenance, defunct irrigation and drinking water projects could not be made operational by immediate repair, resulting in potential water scarcity. During joint physical inspection, 23 (58 *per cent*) out of 40 irrigation projects and 38 (55 *per cent*) out of 69 drinking water projects were found non-operational. The people of these areas resorted to the old practice of fetching water from river, springs, canals/ channels, *etc.*, which was unhygienic, with possible risk of water borne diseases.

(Paragraphs 1.9.1.3 and 1.10.1)

- Due to lack of planning, 55 Nutrition Resource Centres, established for providing nutrition support to children and women, and involving an expenditure of ₹3.59 crore, were lying non-operational.

(Paragraph 1.9.2)

- Establishment of eco-cottage complexes in MPA areas for creating livelihood opportunities for the PVTGs had not been completed (January 2025), despite sanction of funds (₹4 crore) in 2018-19.

(Paragraph 1.9.4.2)

- Interventions like establishing Reverse Osmosis plants (cost: ₹77.36 lakh) and cold storage units (cost: ₹ 1.91 crore) were mostly defunct/ not established/ incomplete, which led to non-fulfilment of the objective of supplying quality water and cold storage facilities to the PVTG population, besides rendering the expenditure unfruitful.

(Paragraphs 1.10.1 and 1.10.2)

- Most of the processing units like dal processing unit, oil extraction unit, established (₹48.29 crore) for providing income security to the PVTG people were found in defunct conditions, due to incorrect assessment of the capabilities of user groups, actual requirements in the locality and inadequate monitoring.

(Paragraph 1.10.3)

- Although Income Generation Activities and livelihood programmes like goat rearing, were found to be profitable interventions, proper monitoring and necessary hand-holding support could have yielded better benefits for PVTGs, in improving their livelihood.

(Paragraphs 1.9.4.1 and 1.9.3.4)

- The State level Programme Steering Committee, Programme Management Committee and Programme Implementation Committees did not meet regularly for effective management and monitoring of the Programme. As a result, the performance of the MPAs in implementing the schemes and interventions remained sub-optimal. The PVTG households were yet to be saturated with basic amenities like *pucca* house, drinking water, electricity, land ownership/ title, *etc.* and many PVTG villages had no accessibility to motorable roads (288), electricity (231), drinking water source (297) and telecommunication facilities (773).

(Paragraphs 1.11.2.1 and 1.5.1)

What do we recommend?

- 1.1. The SSD Department should make diligent efforts to operationalise the newly created MPAs and include the left out PVTG population under welfare programmes for ensuring their socio-economic development.***
- 1.2. The SSD department along with its field functionaries should take proactive action to scale up awareness campaigns amongst PVTG youth regarding the benefits of late marriage and incentives offered under the Scheme therein.***
- 1.3. The State Government may consider assuming responsibility for operation and maintenance of irrigation projects for delivering intended benefits to the targeted PVTG population.***
- 1.4. Nutrition and livelihood support schemes may be designed with the involvement of local communities, and proper training as well as hand holding support may be provided for upliftment of the PVTG population.***
- 1.5. The Department may design nutrition support schemes with community involvement and strengthen crop development interventions through assured water supply for improving crop production.***
- 1.6. The State Government may take early measures for providing safe drinking water to all the PVTG households of the identified villages, and consider providing operational & maintenance cost of drinking***

water projects from its own source, instead of collecting user fees from the PVTG households.

- 1.7. *A robust evaluation mechanism should be in place, focusing on regular monitoring, data collection and feedback from stakeholders to identify and address the gaps with regard to programme objectives and provision of basic facilities for PVTGs.*

CHAPTER 2: Performance Audit on Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in the State

About the Report

The National Rural Employment Guarantee Act (NREGA) was enacted by the Government of India (GoI) in September 2005 with the aim of providing at least 100 days of guaranteed wage employment in a financial year to every rural Household (HH) whose adult members were willing to do unskilled manual work. The overarching objective of the Act was to ensure livelihood security for the economically weaker section of the rural population. The Act promotes creation of durable assets in rural areas through labour-intensive infrastructure projects like building of roads, water conservation and afforestation. The NREGA was later rechristened (October 2009) as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a Centrally Sponsored Scheme implemented on a cost sharing basis between GoI and the State Governments. GoI provides the entire cost of wages for unskilled manual workers, and 75 per cent of the cost of material and wages for skilled and semi-skilled workers required for execution of the work. The State Government provides 25 per cent of the cost of material and wages for skilled and semi-skilled workers and also bears the total expenditure on unemployment allowance and compensation for delayed payment of wages to workers. GoI also provides up to six per cent of the total expenditure on MGNREGS in a financial year for administrative expenses to the State Government.

Why did we take up this Audit?

To assess the outcome of the Scheme in ensuring livelihood security for the economically weaker section of the rural population in terms of providing wage employment and creation of durable assets, the Performance Audit on “Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme” was conducted between June 2024 and September 2024. The coverage of the audit was from 2019-20 to 2023-24, with the objective to assess whether the planning process and financial management practices were adequately geared towards achieving the goals of the Act, while adhering to relevant rules and regulations; fair access to employment opportunities was achieved and employment was adequately generated, leading to social protection and livelihood security; durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other programmes / schemes; appropriate and adequate monitoring, social audit and

grievance redressal systems were in place and were functioning as envisaged, to achieve greater transparency and accountability.

Major Audit Findings

The major findings of the Performance Audit are summarised below:

- The Department had not conducted survey to identify new/ eligible HHs, include/ delete names of members in the Job Cards and to rectify incorrect data in the existing database, if any.

(Paragraph 2.7.2)

- In the five test-checked districts, out of 64.26 lakh HHs who had applied for Job Cards during 2019-24, Job Cards were not issued to 0.82 lakh HHs, without any recorded reasons. These HHs were deprived of availing the employment opportunities under MGNREGS.

(Paragraph 2.7.3)

- Labour budget was to be prepared and approved at the GP level by the Gram Sabha, forwarded to Panchayat Samiti (PS) and consolidated at the district level, which would then be submitted to the State Government for onward transmission to the Central Government. However, in all the test-checked districts, the labour budget targets were received from the State and the districts distributed the targeted person days to be generated amongst the PSs under their jurisdiction. In all the 40 test-checked GPs, no labour budget was prepared by the GPs. Rather, a shelf of projects was prepared and approved by the Gram Sabhas.

(Paragraph 2.7.5)

- MGNREGS Operational Guidelines provided that for the convergence of various Government sponsored projects with schemes like National Rural Livelihood Mission, Total Sanitation Programme, Pradhan Mantri Gram Sadak Yojana, Rashtriya Krishi Vikas Yojana, etc., a District Perspective Plan should be prepared by the ZP which would identify the needs and gaps in the district for all sectors. However, no such District Perspective Plans were prepared in test-checked districts due to which sector wise gaps could not be identified and convergence of works with departmental projects could not be done.

(Paragraph 2.7.6)

- Against the provision of 100 days of guaranteed wage employment to be provided to the registered HHs, Audit noticed that during the FYs 2019-24, 100 days' employment generation was provided to only 6.24 to 11.26 *per cent* HHs, whereas 25.77 lakh to 44.58 lakh HHs had demanded work. This figure ranged between 0.20 and 16.18 *per cent* in the test-checked districts.

(Paragraph 2.8.1)

- During 2019-24, there were delays of 1.44 crore days in payment of wages, for which the beneficiaries were entitled to receive compensation of ₹1.03 crore. Against this, ₹0.01 crore only was paid as compensation and the remaining amount of compensation of ₹1.02 crore was rejected

on the grounds of natural calamities, insufficient funds in the State Nodal Account, etc.

(Paragraph 2.8.4.2)

- In five test-checked districts, despite demand for work, 1.22 lakh HHs were not provided employment during 2019-24. However, no unemployment allowance was paid to these 1.22 lakh HHs, as envisaged in the Operational Guidelines of MGNREGS.

(Paragraph 2.8.4.3)

- Out of 36.99 lakh works taken up for execution during 2019-24, 12.96 lakh works (35 *per cent*) could not be completed even after incurring an expenditure of ₹ 9,898.70 crore, as of March 2024.

(Paragraph 2.9.1)

- MGNREGS Operational Guidelines allowed execution of rural connectivity works that provide all-weather access. In the test-checked PSs, ₹55.32 crore was utilised on creation of 1,317 non-durable assets.

(Paragraph 2.9.3)

- In nine test-checked Panchayat Samitis, ₹14.42 crore was utilised on execution of 331 works out of MGNREGS funds, for upgradation of schools. These works neither came under any category of works mentioned in the Operational Guidelines, nor were they approved by the Ministry of Rural Development.

(Paragraph 2.9.5)

- As per MGNREGA, State Employment Guarantee Council (SEGC) was to meet at least two times each year. Against the requirement of a minimum of 10 meetings, the SEGC met only three times during the FYs 2019-24. In the absence of regular sittings of the SEGC, the Summary Report of Ombudsmen could not be included in the Annual Report on outcome of MGNREGS. Further, the SEGC could not review and monitor the Action Taken Report of the State Government on the findings of Social Audit.

(Paragraph 2.10.1)

- Out of ₹1.61 crore recommended for recovery by the MGNREGS Ombudsman from the erring officials, only ₹14.54 lakh was recovered due to inaction by the District Programme Co-ordinators.

(Paragraph 2.10.4)

What do we recommend?

- 2.1. Gram Panchayats (GPs) may conduct annual surveys to enrol new eligible beneficiaries, issue and update Job Cards with correct details of information and also delete ineligible beneficiaries to avoid any irregular payment of wages.***
- 2.2. Bottoms up approach in the preparation of Labour Budgets with involvement of Gram Sabha may be ensured to assess the actual requirement, quantum and timing of the demand for work.***

- 2.3. *The Government may ensure payment of unemployment allowance to all eligible wage seekers who had not been provided work within 15 days of their demand. Also, the differently abled wage seekers may be encouraged by providing suitable employment under the scheme.*
- 2.4. *Status of incomplete works needs to be monitored closely by the State, district and block level authorities to ensure their timely completion and new works should be taken up only after ensuring completion of pending works.*
- 2.5. *Creation of non-durable assets and execution of inadmissible works/projects may strictly be prohibited while approving the consolidated labour budgets and preparing shelf of projects for the GPs at PS and ZP levels.*
- 2.6. *Monitoring through SEGC may be made effective with regular sittings, review of the recommendations of the Ombudsmen and Action Taken Report on the findings of Social Audit.*

Chapter 1

Performance Audit

Functioning of Micro Project Agencies for development of Particularly Vulnerable Tribal Groups in the State

**ST & SC Development, Minorities & Backward Classes Welfare
Department**

**1. Functioning of Micro Project Agencies for development of
Particularly Vulnerable Tribal Groups in the State**

1.1 Introduction

Among the hundreds of tribal communities living across the country, there are certain vulnerable groups, which are relatively more isolated. This isolation leads to their inability to access many public goods and services, which has resulted in their backwardness, pre-agricultural level of technology, low level of literacy as compared to others.

During the 5th Five Year Plan period (1974-79), the Government of India (GoI) decided to lay special emphasis on the all-round development of these vulnerable tribal groups and identified 75 such groups in the country for the purpose of giving special attention for their sustainable development. These tribal groups had been initially identified and designated as ‘Primitive Tribal Groups (PTGs)’ and were re-designated as ‘Particularly Vulnerable Tribal Groups (PVTGs)’ in 2006. Odisha has the highest number of PVTGs in the country. Out of 75 PVTGs identified in the country, 13 PVTGs¹, belong to Odisha, having population of 2,94,712 spread over 14 districts of the State.

1.1.1 Developmental programmes for PVTGs

Various Government of India (GoI) and State schemes have been implemented for uplifting socio-economic status of PVTGs in the State. The names of these schemes and their objectives are shown in **Table 1.1**.

Table 1.1: Interventions for welfare of PVTGs

Sl. No.	Names of the schemes	Sponsoring Government	Scheme objectives
1	Special Central Assistance (SCA) to Tribal Sub-Scheme (TSS)	GoI	Special Central assistance to TSS of State Government
2	Grants under Article 275(1) of the Constitution	GoI	Enhancing access to education and health services; Reducing poverty and unemployment; Capacity building
3	Conservation-cum-Development (CCD) Plan	GoI	Development of infrastructure, education, healthcare and livelihood of PVTGs
4	Odisha PVTG Empowerment and Livelihood Improvement Programme (OPELIP)	GoO	An externally aided project with the objective to achieve ‘enhanced living conditions and reduced poverty of ST/SC including PVTG households’

(Source: Records of the ST&SC Development, Minorities & Backward Classes Welfare Department)

¹ (i) Bonda, (ii) Birhor, (iii) Chuktia Bhunjia, (iv) Didayi, (v) Dangria Kandha, (vi) Juang, (vii) Hill-Kharia, (viii) Kutia Kandha, (ix) Lanjia Saora, (x) Lodha, (xi) Mankidia, (xii) Paudi Bhuyan and (xiii) Saora

In addition to the above, different departments of the State Government like Panchayati Raj and Drinking Water, Fisheries and Animal Resources Development, Agriculture and Farmers' Empowerment, *etc.*, implemented various welfare programmes in convergence mode.

To adopt an integrated approach towards inclusive planning, better management and mobilisation of available resources in the implementation of schemes/ programmes for PVTGs, the Government of Odisha (GoO) launched (2016-17) the Odisha PVTG Empowerment and Livelihood Improvement Programme (OPELIP). All developmental programmes of the Central and State Governments for PVTGs were implemented in Odisha under OPELIP. The programme implementation period was for eight years (2016-2024). Although the OPELIP interventions also covered other Scheduled Tribe (ST) and Scheduled Caste (SC) households in 84 Gram Panchayats, their primary objective was development of PVTGs. Other GoI schemes implemented by the Micro Project Agencies (MPAs) were exclusively meant for PVTGs. The implementation of OPELIP ended in September 2024.

The State Government provided ₹594.78 crore for OPELIP under different schemes including assistance from the International Fund for Agricultural Development (IFAD), during the period 2016-24.

As per the agreement made with the IFAD and the design completion report for implementation of OPELIP, 62,356² households were to be covered under the programme. As of March 2024, 96,651 households had been covered (PVTG: 27,308, poor and SC households: 29,374 and other tribals: 39,969), as reported in the Endline Survey Report (2024).

1.1.2 Organisational set-up

The ST & SC Development, Minorities & Backward Classes Welfare Department (SSD Department), GoO, headed by the Secretary was responsible for framing policies, plans and programmes relating to PVTGs including implementation thereof. For implementation of OPELIP, a Programme Management Unit (PMU) was formed at the State level, which was headed by a Programme Director (PD). The Programme Steering Committee (PSC), under the chairmanship of the Chief Secretary, with representations from key line departments was responsible for providing overall policy guidance. The Programme Management Committee (PMC), headed by the Secretary, SSD Department as the Chairperson and the Programme Director of OPELIP as the Member Secretary, was to ensure effective programme implementation.

For implementing different welfare programmes for upliftment of PVTGs, the State Government had established 20 Micro Project Agencies³ (MPAs) during the period from 1976-77 to 2020-21 across 14 districts of the State. An MPA covered a particular zone of concentration of PVTGs and was responsible for implementing all such programmes in that zone. An MPA was a registered society, governed by a Governing Body (GB), chaired by the District Collector. The Special Officer of the MPA was the Member Secretary of the

² Includes 32,090 PVTG households, other STs (13,970), SCs (5,486) and other poor households (10,810)

³ 17 old MPAs during 1976-95 and 3 new MPAs during 2020-21. The three newly created MPAs (2020-21) are still not functioning

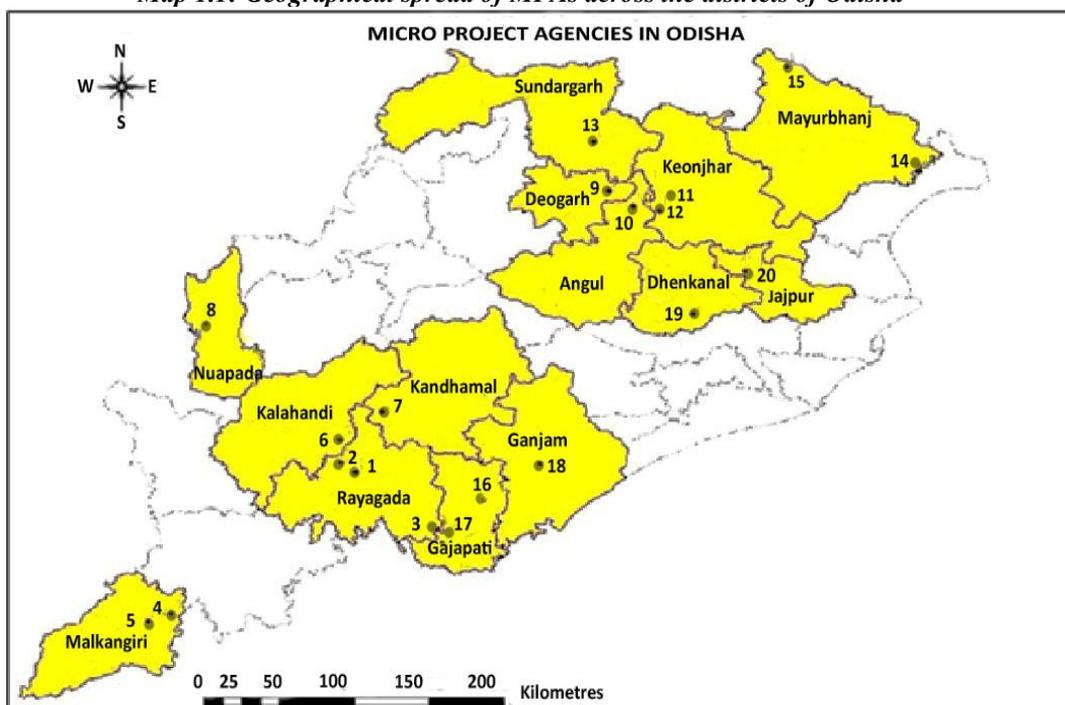
Governing Body, who was also responsible for day-to-day functioning of the MPA.

At the village level, 1,011 Village Development Committees (VDCs) had been formed in 1,140 villages/ hamlets, including 541 PVTG villages to execute the programme activities under OPELIP. A VDC is the management committee with four members, selected by the Village Development Association (VDA)⁴.

To assist these VDCs in planning and execution of programme activities, the PMU had engaged one facilitating Non-Government Organisation (FNGO)⁵, in each of the 17 MPAs (except three new MPAs). The role and responsibilities of the FNGOs were spelled out in a Memorandum of Understanding (MoU) entered into between the PMU and the FNGO. The FNGOs with a team of professionals were to facilitate the VDCs in preparation of Annual Work Plan and Budget (AWPB) and execution of approved activities.

The districts inhabited by PVTG, where MPAs had been established are shown in **Map 1.1**.

Map 1.1: Geographical spread of MPAs across the districts of Odisha



1. Dangaria Kandha Development Agency (DKDA), Chatikona, 2. Dangaria Kandha Development Agency (DKDA), Parsali, 3. Lanjia Soura Development Agency (LSDA), Putasingh, 4. Bonda Development Agency (BDA), Mudulipada, 5. Didayi Development Agency (DDA), Kudumulugumma, 6. Kutia Kandha Development Agency (KKDA), Lanjigarh, 7. Kutia Kandha Development Agency (KKDA), Belghar, 8. Chukitia Bhuja Development Agency (CBDA), Sunabeda, 9. Paudi Bhuyan Development Agency (PBDA), Rugudakudar, 10. Paudi Bhuyan Development Agency, Jamardihi, 11. Juang Development Agency (JDA), Gonasika, 12. Paudi Bhuyan Development Agency (PBDA), Banspal, 13. Paudi Bhuyan Development Agency (PBDA), Khuntagaon, 14. Lodha Development Agency (LDA), Morada, 15. Hill Kharia Mankadia Development Agency (HKMDA), Jashipur, 16. Soura Development Agency (SDA), Chandragiri, 17. Lanjia Soura Development Agency (LSDA), Serango, 18. Tumba Development Agency (TDA), Tumba, 19. Juang Development Agency (JDA), Dhenkanal, 20. Birhor & Juang Development Agency (BJDA), Sukinda

⁴ Village Development Association is established in each village, having all adult men and women of the villages, as its members
⁵ FNGOs having experience in working in tribal areas of Odisha

1.2 Audit Objectives

To assess the overall impact and effectiveness of the programme interventions on PVTGs, the Performance Audit was conducted with the objectives of assessing whether:

- Planning to improve the income level and other socio-economic conditions of the PVTG households was in place and was effective.
- Micro Project Agencies, as institutional mechanism, were able to execute the plans and programmes effectively, for which funds had been placed.
- Interventions extended by the Micro Project Agencies had been carried out in an economic, efficient and effective manner to improve income levels and other socio-economic conditions of the PVTG households.
- Monitoring and evaluation mechanism was in place and was functioning effectively, for proper implementation of programmes for PVTGs.

1.3 Audit Criteria

The audit criteria for the Performance Audit, were derived from the following:

- Scheme Guidelines issued by the Ministry of Tribal Affairs, GoI and the State Government for development of PVTGs;
- Annual Work Plan and Budget documents for the PVTGs;
- Audited Annual Accounts of the MPAs;
- Orissa Public Works Department (OPWD) Code;
- Odisha General Financial Rules (OGFR);
- Survey and Evaluation Reports for the PVTGs;
- Proceedings of PSC/ PMC/ PIC meetings;
- Instructions of Government of India and State Government.

1.4 Audit Scope and Methodology

The Performance Audit was conducted between July 2024 and January 2025 by sample checking of records of the SSD Department, the PMU and all 20 MPAs, for the period from 2019-20 to 2023-24. The Objectives, Criteria, Scope and Methodologies of Audit were discussed with the Financial Advisor-cum-Additional Secretary, SSD Department in an Entry Conference, held on 26 June 2024.

Joint Physical Inspection of assets created under various schemes and sites of Income Generation activities (Agricultural, Horticulture, Veterinary activities, *etc.*) as well as interviews/ surveys of the beneficiaries were conducted in the presence of representatives of the concerned MPAs. Photographic evidences were also collected, wherever required.

The Exit Conference with the Commissioner-cum-Secretary of the Department was held on 16 September 2025 to discuss the audit findings. The Department

accepted all the recommendations of Audit and assured to take remedial action to mitigate the gaps. Replies received from the Department have been incorporated appropriately in the Report.

The Audit findings are discussed in the subsequent paragraphs.

Audit findings

1.5 Identification of PVTG population

To ensure that developmental programmes are better targeted and their benefits reach all PVTGs, it is imperative that periodic and flawless surveys to identify PVTGs, their places of residence and socio-economic status *etc.*, are carried out.

While carving out the boundary of each of the 17 MPAs, the State had identified 541 villages/hamlets within the administrative coverage of these MPAs. The list of these villages continued till 2018-19 and the people of these 541 villages were considered as PVTGs for receiving benefits under various developmental programmes. Subsequently, it was observed by the SSD Department that many villages/habitations inhabited by the PVTG Communities in and around the areas⁶ of MPAs, had been left out from the originally carved out locations, necessitating a fresh survey. To identify the left out villages/ habitations and population of the PVTGs, the Scheduled Castes and Scheduled Tribes Research and Training Institute (SCSTRTI)⁷, conducted a baseline survey (BLS) during 2018-19.

Enumeration of the PVTG population had been carried out by the SSD Department through the baseline surveys conducted by the SCSTRTI. The baseline survey conducted during 2015 for enumerating PVTG population in the State was only for the existing PVTG villages. A comparative picture of population, households and villages of residence of PVTGs, as per BLS-2015 and BLS-2018 is given in **Table 1.2**.

Table 1.2: Comparison of PVTG habitations and population as per BLS-2015 and BLS-2018

BLS years	PVTG villages	PVTG households	PVTG population
Base Line Survey (2015)	541	21,802	89,208
Base Line Survey (2018-19) (Newly identified)	1,138	36,906	1,60,401
Total	1,679	58,708	2,49,609

(Source: Survey Report of SCSTRTI)

Audit noticed that the BLS-2018 had not done fresh survey of all the PVTG villages. Instead, the survey was done for the left out villages, which excluded the existing 541 villages. After the BLS-2018, the total PVTG population in the State was 2,49,609 in 58,708 households of 1,679 villages/ habitations spread over 14 districts⁸ of the State, which included 541 old/ existing villages, identified in BLS-2015.

⁶ Areas with concentration of 13 PVTGs

⁷ A premier Tribal Research Institute of the State dealing with the matters pertaining to the research and plan formulation of the PVTGs in MPA areas

⁸ Angul, Deogarh, Dhenkanal, Gajapati, Ganjam, Jajpur, Kalahandi, Kandhamal, Keonjhar, Malkangiri, Mayurbhanj, Nuapada, Rayagada, Sundargarh

For implementing OPELIP in the existing 541 PVTG villages, the PMU had, however, collected population and household data from the MPAs. As per the data furnished by the MPAs, the PVTG households and their population had increased to 27,308 households with 1,34,311 population.

The total PVTG population in the State, thus stood at 2.94 lakh⁹ in 1,679 villages/ hamlets. Out of these 2.94 lakh population, OPELIP was implemented for 1.34 lakh people only and developmental programmes had not been implemented for the remaining 1.60 lakh people living in newly identified 1,138 villages. Thus, 1.60 lakh (54 *per cent*) PVTG population was left out from availing the benefits of PVTG specific programmes for years together, as of March 2024.

The Department stated (September 2025) that PVTG population estimated in 2015 was based on the demographic data provided by the MPAs and added that welfare programmes for the newly identified villages would be covered under OPELIP II, planned to be implemented shortly.

1.5.1 Non-inclusion of all PVTG population identified in BLS-2018

As discussed above, the PVTGs of 1,138 villages had not been covered under PVTG specific programmes. It was noticed that the SSD Department had issued two notifications (June 2020) for inclusion of these additional 1,138 villages/ hamlets having 36,906 PVTG households with 1,60,401 population, under PVTG development programmes. As per the notifications, the existing 17 MPAs were to look after 888 villages/ hamlets around the areas of MPAs, while the remaining 250 villages/ hamlets identified were to be covered under three new MPAs¹⁰, created by the Government in June 2020.

In this context, Audit noticed that despite issue of notifications for covering all identified PVTG population and creation of new MPAs, welfare activities for PVTGs continued to be implemented by the existing 17 MPAs in 541 villages/ habitations only.

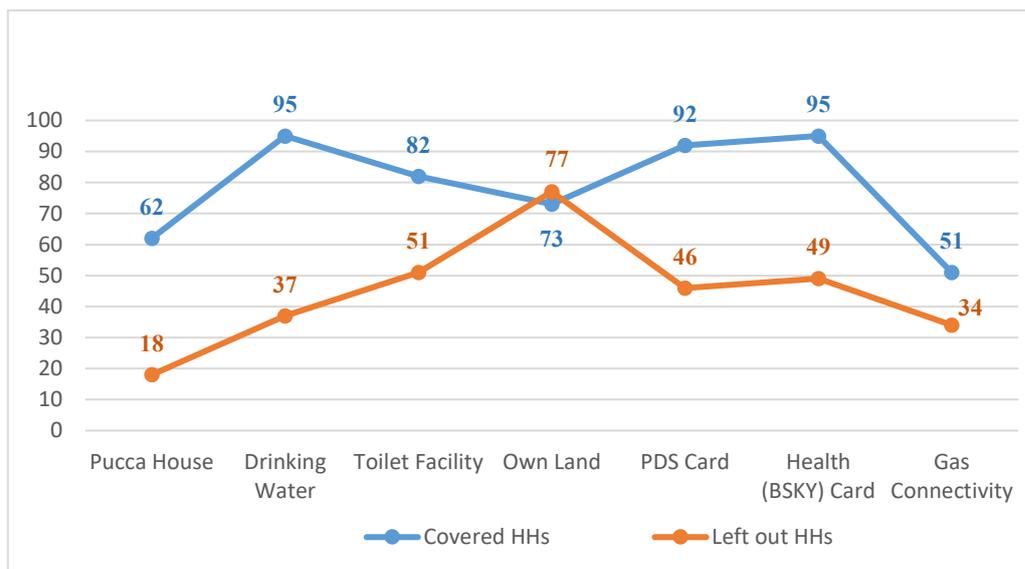
Audit noticed that the PVTG population/ families which had been left out of the coverage of developmental programmes, lacked even the basic facilities. Audit enquired about the status of basic amenities/ resources available with the left out PVTG families. The PMU of OPELIP could provide data for 28,219 left out families, against 36,906 households identified in the survey.

Availability of basic amenities like *pucca* house, drinking water, toilet facility, gas connections *etc.* with the left out households, ranged between 18 *per cent* and 77 *per cent*. These basic facilities available with the old PVTG households, which had been covered under developmental programmes was, however, better in comparison to the newly identified households. A comparison of availability of basic facilities between the households covered under PVTG specific programmes and left out households, is shown in **Chart 1.1**.

⁹ Population in 541 villages: 1.34 lakh plus population in 1,138 new habitations/ villages: 1.60 lakh

¹⁰ Paudi-Bhuyan Development Agency, Banspal, (ii) Birhor & Juang Development Agency, Sukinda, (iii) Juang Development Agency, Dhenkanal

Chart 1.1: Comparison of basic amenities (in percentage terms) between covered and left out households



(Source: Data obtained from the PMU)

Audit noticed that the State Level Programme Steering Committee (SLPSC) discussed (November 2019) to bring the PVTG households living outside the MPA area, under the programme. In a meeting held (July 2020) under the Chairmanship of the Principal Secretary (SSD Department), it was also decided that the PMU would prepare a five-year comprehensive plan for initiation of interventions in the newly included villages by 15 July 2020 and prepare the first-year budget for limited activities to be carried out in these new villages by 31 August 2020. The SSD Department also sanctioned (May 2021) and placed ₹20.20 crore with the PMU for land allocation and livelihood activities in 1,138 new PVTG villages.

In this context, Audit observed that:

- The three MPAs, which had been newly created in June 2020 to cover the excluded PVTG population, had not been made operational as of January 2025. Neither manpower had been provisioned for nor had funding been allocated to these MPAs. Reasons for non-operationalisation of these MPAs were not on record. The non-operationalisation of these MPAs not only impacted coverage of all PVTG population, but it also deprived these vulnerable groups of the intended benefits of the schemes initiated for their socio-economic upliftment.

The Birhor community was identified as PVTG in 1986-87, but had not been covered under any of the initial PVTG welfare programmes. They were included under a newly created MPA (Birhor and Juang Development Agency, Sukinda) during 2020-21. As the MPA had not been made functional, the community with population of 341 people in 87 households, remained beyond the reach of PVTG benefits till date (January 2025).

- Audit also observed that the allocation of ₹20.20 crore made by the SSD Department to the PMU was lying unutilised (July 2024). The

PMU had neither made any plans for its utilisation nor had the Department enquired about it, despite lapse of more than three years since its release (May 2021).

- In addition, instances of negligence by MPAs were also noticed wherein these field formations lacked even basic data to ensure coverage of all PVTGs under welfare programmes for their upliftment. The existing MPA, i.e., LDA, Morada did not have data on the availability of basic facilities for the newly identified villages (18), within its jurisdictions, even after five years of their identification (2018-19) and notification by the State Government in June 2020. Similarly, two (JDA, Dhenkanal and PBDA, Bansapal) out of the three newly created MPAs could not provide any data regarding availability of facilities, even though 12,576 PVTG families were residing in these MPAs.

Thus, the SSD department and its field formations had an apathetic approach in implementing development programmes in newly notified 1,138 villages, due to which 1.60 lakh (54 *per cent*) out of total 2.94 lakh PVTG population, had remained excluded from the welfare measures meant for them.

The Department stated (September 2025) that the total PVTG population (2.94 lakh) in the State had been covered under the ‘Pradhan Mantri Janajati Adivasi Nyaya Maha Abhiyan (PM JANMAN)’ scheme, implemented by the GoI since November 2023, for ensuring basic facilities, and would also be covered under welfare programmes designed in OPELIP II, the process of which had already been initiated. The fact, however, remained that 1.60 lakh PVTG population had been deprived of the benefits of welfare programmes, even after six years of their identification (2018-19).

Recommendation 1.1:

The SSD Department should make diligent efforts to operationalise the newly created MPAs and include the left out PVTG population under welfare programmes for ensuring their socio-economic development.

1.6 Deficiencies in planning

As per OPELIP guidelines, bottoms-up planning approach should be followed so that the targeted tribal population are involved in the implementation process. The planning process was to be initiated from the village level with the support of the FNGO and respective MPAs. The VDCs, with the help of the FNGOs were to prepare the Village Development Plan (VDP), which would have plan for livelihood, community resource management, community infrastructure, income generating activities, *etc.* The VDPs would also include a Village Perspective Plan for five years. On the basis of the VDP, annual work plan and budget (AWPB), outlining the programme activities with budget estimates, would be prepared for the year and sent to the respective MPAs. The MPAs would consolidate the AWPBs from all the VDCs and forward the same to the PMU, after approval by the district level Programme

Implementation Committee (PIC)¹¹. The PMU, in turn, would consolidate the AWPBs of all the MPAs and gets it approved by the Government. The approved AWPB was to be used for reviewing performance and progress of the programme.

Audit, however, observed that:

1.6.1 Lack of bottoms up approach in planning process

The VDC-wise AWPBs for the period 2019-24 were not available with the MPAs, indicating that AWPBs had not been prepared at the village level, involving targeted community members. Since the district level PICs did not meet regularly, the AWPB for the MPA was neither discussed in the PIC nor approved at MPA/ district level. As such, planning was done mainly at the PMU level. The MPAs, therefore, followed the approved AWPBs forwarded by the PMU for executing various programme activities. Consequently, interventions like establishment of Reverse Osmosis plants, cold storage units, processing units, *etc.*, remained idle/ unproductive, as the villagers either did not utilise them or did not make any efforts for repair of the defunct units, as discussed in *Paragraphs 1.10.1(a), 1.10.2 and 1.10.3* respectively.

Further, VDPs were prepared only from 2019-20 onwards, though OPELIP had been introduced during 2016-17. Thus, there was a delay of about two to three years, in preparation of VDPs. As such, AWPBs for 2016-17, 2017-18 and 2018-19 were not based on VDPs. Audit test-checked VDPs of 25 PVTG VDCs under five¹² MPAs and noticed that funds released to 17 VDCs during 2019-24 were between 4 and 31 *per cent* of the provision made in the VDP. Therefore, release of funds and execution of interventions in VDCs was not in consonance with the plans approved in VDPs. Moreover, many activities approved in the VDPs had not been undertaken. As such, AWPBs did not flow from the VDPs.

A case of comparison between activities planned in the VDP and actual execution

The Perspective Plan outlined in the VDP of the Ghungi VDC under Juanga Development Agency, Gonasika (Keonjhar) included 397 works relating to 45 different activities/ programmes like construction of check dam, goat shed, land development, cashew plantation, vegetable cultivation, *etc.* for the period 2019-24, with a total budget provision of ₹318.84 lakh. Against this financial outlay, only ₹23.45 lakh (7 *per cent*) was released to the VDC, during 2019-24 for taking up different activities. During this period, only 23 works (5 *per cent*) relating to 10 activities were executed after incurring ₹24.17 lakh. Thus, provision of funds and activities undertaken by the VDC during 2019-24 had no correlation with the VDC's Plan.

¹¹ PIC at the district level headed by the District Collector with representation from other departments and the Special Officer of the MPAs was to approve the AWPB and monitor implementation of the programmes

¹² (i) JDA, Gonasika; (ii) PBDA, Jamardihi; (iii) PBDA, Rugudakudar; (iv) HKMDA, Jashipur; (v) DDA, Kudumuluguma

In the absence of bottoms-up approach in planning, the basic objective of arriving at a credible assessment of actual ground level requirements could not be ensured.

The Department stated (September 2025) that prior to preparation of AWPB, the PMU had discussed with the MPA/ FNGO about preparation of the AWPBs involving VDC members. Due to pre-occupied assignment of the District Collector, they could not get time for PIC approval, but once approved at State level, it was circulated to them for their information. The reply was not tenable, as preparation of the AWPBs involving VDC members was not on record.

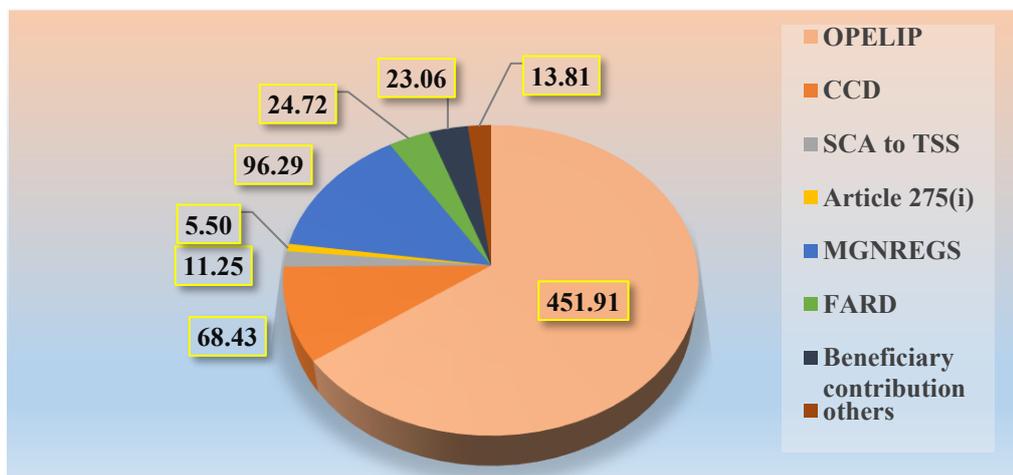
1.7 Funds management

1.7.1 Financial outlay

During the last five years (2019-24), the State Government had approved the AWPBs with a budget estimate of ₹694.97 crore, for execution of programme activities under different schemes for development of PVTGs. Out of this provision, ₹537.09 crore¹³ was to be met from the schemes like OPELIP, CCD, Article 275 (1), SCA to TSS, whereas ₹157.88 crore¹⁴ had been planned under convergence programmes with other departments.

The funds received under the schemes like CCD Plan, Article 275 (1), SCA to TSS, etc. were to be utilised exclusively for the development of PVTGs, whereas OPELIP funds with the assistance from IFAD, were meant for PVTGs and other ST and SC households in 84 PVTG GPs under the 17 MPAs. The scheme-wise provision of funds, made during 2019-24, is shown in **Chart 1.2**.

Chart 1.2: Budget provision for the year from 2019-20 to 2023-24 (in ₹ crore)



(Source: Data obtained from the PMU (OPELIP), SSD Department)

(Note: 'Others' include funds under Rashtriya Krishi Vikas Yojana, Agriculture and Farmers' Empowerment Departments etc.; Beneficiary contribution: Programme estimates of interventions like land development, irrigation systems, income generation activities under OPELIP includes about 10 per cent as beneficiary share.)

¹³ OPELIP: ₹451.91 crore + CCD: ₹ 68.43 crore + SCA to TSS: ₹11.25 crore + Article 275 (1): ₹5.50 crore

¹⁴ MGNREGS: ₹ 96.29 crore + FARD: ₹24.72 crore + Beneficiary contribution: ₹23.06 crore + Others: ₹13.81 crore (Rashtriya Krishi Vikas Yojana (RKVY), National Horticulture Mission)

Against the above budget provision, expenditure of ₹533.13 crore (77 per cent) was incurred during 2019-24 to execute the programme activities.

1.7.2 Budget provision vis-à-vis utilisation of funds

As per the financial arrangement, the SSD Department provided funds to the bank account of the PMU (OPELIP) for implementation of different schemes. The PMU released the funds to the MPAs as Grants-in-Aid, based on the approved AWPBs for implementation of programme activities.

During the five-year period, the State had provided ₹399.18 crore¹⁵ to the PMU, for implementation of different schemes/ programmes for PVTGs. Audit, however, observed the following:

- Allocation of funds (₹399.18 crore) was only 74 per cent of the financial provision (₹537.09 crore) made in the AWPBs, for the period 2019-24. These funds related to the schemes, excluding the convergence programmes. Details of funds received and expenditure made on convergence programmes with other departments were not available with the PMU.
- Expenditure (₹415.30 crore) during 2019-24 was 87 per cent of the available funds (₹476.65 crore¹⁶) and 77 per cent of the budget provision. Unspent amount of ₹61.35 crore was lying in the bank accounts of the PMU and the MPAs. Thus, the expenditure was lesser by ₹121.79 crore (23 per cent) compared to the approved budget in the AWPBs, due to non-execution of planned activities. This indicated weak internal control and ineffective monitoring by the MPAs/ PMU.
- Unspent balances included ₹20.20 crore received during 2021-22, for taking up livelihood activities in newly identified PVTG villages. Similarly, ₹41.15 crore received during 2022-23, was meant for executing different activities under OPELIP. The PMU neither released these amounts to the MPAs nor were these refunded to the SSD Department. Consequently, the unspent amounts remained outside the government account for more than three years, without being utilised for the developmental needs of the PVTG population.

Thus, the PMU/ MPAs had failed to utilise the funds provided for executing planned activities for development of the targeted vulnerable tribal communities.

The Department attributed (September 2025) the low achievement (74 per cent) to COVID-19 pandemic, less receipts of funds under CCD, SCA to TSS schemes etc., and stated that unspent amount of ₹ 20.20 crore had been refunded to the Government. The fact, however, remained that the PMU and the MPAs had not even utilised the total funds available with them for the developmental programmes.

1.7.3 Irrational release of funds to the MPAs

Under 'Development of PVTGs/ CCD Scheme', GoI allocates funds based on PVTG population in the State. Although the primary objective of OPELIP was

¹⁵ Excludes funds for convergence programmes, as the same are not received at PMU level

¹⁶ Receipt: ₹399.18 crore *plus* unspent amount of ₹77.47 crore of previous year

development of PVTGs, it also covered other ST/SC people in PVTG Gram Panchayats.

As per the financial arrangement made by the State, funds were transferred to the MPAs, through the PMU for carrying out different programmes and activities, approved in the AWPB. During 2019-24, the Programme Director, PMU (OPELIP) had disbursed ₹360.75 crore to the MPAs. Audit, however, observed that there was no rationality in allocation of funds to the MPAs. Allocation of funds was not in proportion to the PVTG population inhabiting the MPA's jurisdiction. There was wide variation in allocation of funds, compared to the PVTG population.

It was noticed that nine MPAs with higher population of PVTGs had received less allocation, whereas eight MPAs were allocated more funds compared to their population, during 2019-24, as detailed in *Appendix 1.1*. For instance:

- JDA, Gonasika with 17,852 PVTG population had received ₹21.56 crore, whereas KKDA, Lanjigarh with 3,548 population had received ₹22.44 crore.
- The PMU had released ₹23.61 crore to HKMDA, Jashipur having 3,217 PVTG people, whereas ₹23.46 crore was released to TDA, Tumba with 11,530 population.
- Even under CCD Plan, six MPAs with less population, had received more funds, whereas less funds were released to five MPAs having more population. For instance, JDA, Gonasika had received 5.71 per cent of the total funds under CCD Plan, with 13.29 per cent population. Contrary to this, DKDA, Chatikona had received 10.73 per cent of the total funds, when its population was only 5.4 per cent.

Thus, there was no reasonableness in distribution of funds to MPAs. Wide variation was noticed between funds released to MPAs which was not commensurate with the PVTG population percentage. This was not only in departure from the scheme guidelines, but also affected developmental activities undertaken in the MPAs, with larger population.

The Department stated (September 2025) that allocation of funds under OPELIP had been made keeping in view the requirement of community, policy level recommendations/decisions at highest level etc., and was not as per the criteria under CCD Plan. The reply is not tenable as allocation of funds even under CCD Plan, was not based on population criteria.

1.7.4 Funds management at MPA level

During 2019-24, the 17 MPAs had received ₹387.93 crore¹⁷ under different schemes and spent ₹424.62 crore from the available funds of ₹461.44 crore (including opening balance: ₹60.31 crore and interest: ₹13.20 crore). Unspent balance of ₹36.82 crore was lying with the MPAs, in their bank accounts, as of March 2024. The year-wise details of funds received and expenditure made during 2019-24 is given in **Table 1.3**.

¹⁷ The difference between the funds allocated (₹360.75 crore) by the PMU and receipt by MPAs (₹387.93 crore) was because MPAs received funds from other sources like DMF, WODC etc. under convergence programmes.

Table 1.3: Receipt and expenditure by MPAs during 2019-24

(₹ in crore)

Years	OB	Receipt	Interest	Total	Expenditure	Balance
2019-20	60.31	118.22	5.57	184.09	108.85	75.24
2020-21	75.24	50.56	2.35	128.15	81.27	46.88
2021-22	46.88	44.16	1.98	93.02	61.20	31.82
2022-23	31.82	114.28	1.76	147.86	106.60	41.26
2023-24	41.26	60.71	1.55	103.52	66.71	36.82
Total		387.93	13.20	461.44 *	424.62	36.82

(Source: Data obtained from the MPAs)

* (Total Receipt = OB+ Total Receipt +Total Interest)

Audit observed that:

- Unutilised amount of ₹36.82 crore lying with the MPAs included funds under the schemes like OPELIP (₹20.12 crore), CCD Plan (₹8.64 crore), Article 275 (₹1.40 crore), etc. Non-utilisation of funds by the MPAs showed their inefficiency to create required infrastructure and execute livelihood activities for development of vulnerable tribal people including PVTG communities.
- With regard to overall utilisation of allocated funds, TDA, Tumba and DKDA, Parsali had utilised less funds, compared to other MPAs. Out of available funds of ₹30.26 crore, TDA, Tumba had utilised ₹25.95 crore, whereas DKDA, Parsali had spent ₹23.09 crore out of ₹27.14 crore during 2019-24, leaving unspent balance of ₹4.31 crore and ₹4.05 crore respectively.
- An outstanding advance of ₹17.61 lakh was lying in the accounts of the HKMDA, Jashipur, as of March 2024. This unadjusted advance related to the period, prior to April 2019, and the details like purpose, date of advance, the persons/ agencies to whom the advances had been paid, etc., were not available in the records. In the absence of such details, chances of recovery/ adjustment of the outstanding advances were remote and could lead to misappropriation/ misutilisation of government money.

Non-utilisation of the allocated funds by the MPAs indicated their poor spending efficacy and non-execution of approved activities.

The Department attributed (September 2025) the low utilisation funds to challenges like remoteness, difficult terrain, non-availability of material etc., and stated that the unspent amount lying with the MPAs under OPELIP had been refunded to Government. In regard to non-adjustment of advances, it was stated that the MPAs were in continuous effort for recovery/ adjustment of the advances. The reply is not tenable as the planning and release of funds should have been made considering the above difficulties.

1.7.5 Financial irregularities by the FNGOs

As discussed in *Paragraph 1.1.2*, the PMU had engaged 17 FNGOs to assist VDCs in improving their capacity in participatory planning, implementation and monitoring of developmental activities. During 2019-24, an amount of ₹49.05 crore had been paid to these 17 FNGOs towards operational costs, salary of staff engaged in supporting OPELIP interventions etc.

Audit observed that one FNGO had been engaged (31 May 2017) in PBDA, Khuntagaon for assisting the VDCs in execution of different activities under OPELIP. Due to financial irregularities and unsatisfactory performance, this FNGO was disengaged (August 2022) from services, by the Programme Director (PMU), after the Hon'ble High Court, dismissed the writ petition filed by the FNGO.

The FNGO had incurred (2017-18) ₹20.70 lakh towards distribution of MGNREGS implements (₹9.53 lakh) and utensils (₹11.17 lakh) in MPA, Khuntagaon. The expenditure was reported irregular as the FNGO could not give details of distribution of these items in support of the expenditure. Further, there was unutilised fund of ₹29.03 lakh with the FNGO, which was yet to be refunded (August 2024). This amount had been released (2019-23) towards training and capacity building, management cost of FNGO *etc.* The FNGO had neither refunded the amount nor handed over the assets and records like pass books, bills/ vouchers, case records *etc.* to the MPA, even after being disengaged from services and being reminded by the Special Officer several times to refund the amount. The Special Officer of the MPA had also not lodged any FIR against the FNGO to recover the unspent money and records.

The Department stated (September 2025) that an FIR had been lodged against the FNGO on 10 July 2025 for financial misappropriation and non-submission of records and observation of Audit on non-lodging of FIR was not correct. The reply is not acceptable, as the FIR had been lodged only in July 2025, after being pointed out by Audit.

1.7.6 Non-submission/Submission of Utilisation Certificates without actual expenditure

As per provisions¹⁸ under Orissa General Financial Rules (OGFR), grant received should be utilised within the same financial year in which it was received and Utilisation Certificates (UCs) should be submitted by June/December of the subsequent year, to the funding authority. The sanction order of GIA also provides that UCs should be furnished by the grantee institutions countersigned by the disbursing authorities to the Administrative Department. Submission of UCs to higher authorities not only conveys proper utilisation of funds but also facilitates subsequent release of funds for smooth implementation of the schemes/ programmes.

Scrutiny of related records showed that the Programme Director (PD), PMU (OPELIP) had received grants of ₹399.18 crore from the SSD department under different schemes during 2019-24. Total available balance with the PMU was ₹523.26 crore including opening balance of ₹124.08 crore. Against these grants, the PD submitted UCs for an amount of ₹401.31 crore, against the expenditure of ₹461.71 crore and UCs for the balance expenditure amount of ₹60.40 crore were pending for submission, as of March 2024, as detailed in **Table 1.4.**

¹⁸ Rule 171 and 173 of OGFR Volume I and Rule 306 of revised OGFR (2023)

Table 1.4: Position of Utilisation Certificates during 2019-24

(₹ in crore)

Schemes	Opening balance	Grants received	Total	Expenditure made	UCs submitted	UCs pending
OPELIP	77.47	326.28	403.75	353.52	293.12	60.40
RKVY	0	8.50	8.50	8.50	8.50	0
Article- 275(I)	5.50	0	5.50	5.50	5.50	0
SCA to TSP/ TSS	5.50	12.35	17.85	17.85	17.85	0
CCD Plan	35.61	52.05	87.66	76.34	76.34	0
Total	124.08	399.18	523.26	461.71	401.31	60.40

(Source: Data obtained from the PMU, OPELIP)

Further, out of ₹461.44 crore available with the 17 MPAs during 2019-24, there was an expenditure of ₹424.62 crore, leaving an unspent balance of ₹36.82 crore. Against this expenditure, the MPAs had furnished UCs for an amount of ₹363.14 crore. Thus, UCs of ₹61.48 crore were pending with the MPAs as of March 2024. Reasons for non-submission of UCs against the expenditure were not on record.

Audit also observed that the PMU had submitted inflated UCs to the Department, after release of funds to the MPAs without ensuring actual expenditure. For instance:

- The PMU had submitted UCs for a total amount of ₹8.50 crore received (2019-21) under the Rashtriya Krishi Vikas Yojana (RKVY). However, ₹1.53 crore was found to be lying unutilised with the MPAs. This shows that the PMU had submitted UCs without ensuring actual expenditure from the MPAs.
- Similarly, under CCD plan, the PMU had submitted UCs for ₹76.34 crore, out of ₹ 87.66 crore received during 2019-23. The balance amount of ₹11.32 crore was lying with the PMU. It was, however, noticed that there was an unspent amount of ₹8.64 crore with the MPAs. Thus, UCs had been submitted by the PMU, without actual expenditure at the MPA level.

Non-submission/ inflated submission of UCs was not only a violation of financial reporting and management but also failed to provide assurance regarding proper utilisation of funds placed at the disposal of the PMU and the MPAs.

The Department stated (September 2025) that pending UCs under OPELIP programme were submitted to Government in August 2024 and out of ₹11.32 crore under CCD Plan, UCs had been submitted for ₹ 2.01 crore. No specific reply was given for submission of inflated UCs, without assuring actual expenditure.

Programme Implementation

OPELIP for development of PVTGs consisted of four major components, namely (i) Community empowerment, (ii) Natural Resource Management and livelihood enhancement, (iii) Community infrastructure and drudgery reduction and (iv) Programme Management.

1.8. Community empowerment

The activities under Community Empowerment included engagement of FNGOs, mobilisation of VDAs and formation of VDCs, formation and strengthening of Self-help Groups (SHGs), provision of pro-poor funds, capacity building of VDA/ MPA/ FNGO members *etc.*

As discussed in **Paragraph 1.1.2**, as many as 1,011 VDAs/VDCs had been formed and 17 FNGOs engaged to assist the VDCs in planning and execution of programme activities. These FNGOs, in turn had engaged 518 Community Resource Persons (CRPs), who acted as a link between the community and the implementing organisation, offering localised expertise and assistance. As many as 2,851 PVTG SHGs had been formed by 17 MPAs for empowering women members and enabling them to leverage financial inclusion and other mainstream programme benefits. For capacity building of staff/ members of MPAs, PMU and FNGOs, the PMU had conducted 141 training programmes on different subjects¹⁹ during 2019-24.

1.8.1 Financial assistance to PVTG SHGs

A specific fund, titled the PVTG Empowerment Fund (PEF) was created for supporting PVTGs in livelihood enhancement by providing access to formal financial credit to members at minimal interest.

Under PEF, grant-in-aid was provided to the Gram Panchayat Level Federations (GPLFs), to be utilised as revolving fund, exclusively for PVTG SHGs. The PVTG SHGs avail funds from the GPLF, which are then paid to the members as PEF loan. SHGs having more than 50 *per cent* PVTG members were to be considered as PVTG SHGs and all members would be eligible for loan, up to March 2022. The PVTG SHGs were to be provided 70 *per cent* PEF assistance first, and then 30 *per cent* could be made available to other SHGs. During the COVID-19 Pandemic, the PMU had relaxed (March 2021) the norm, enabling other ST and SC households to avail loan from the PEF up to March 2022. From 2022-23 onwards, the PEF assistance was to be provided to PVTG SHGs only.

Audit noticed that PEF assistance of ₹19.34 crore had been paid to 2,113 SHGs in 17 MPAs, during 2019-24. This included 1,437 PVTG (₹12.95 crore) and 676 non-PVTG SHGs (₹6.39 crore). As of March 2024, ₹8.76 crore (45 *per cent*) had been repaid by the SHGs, and ₹10.58 crore was pending for recovery from 709 SHGs. Audit observed that:

- PEF assistance of ₹6.39 crore (33 *per cent*) was paid to 676 non-PVTG SHGs during 2019-24. This included payment of ₹3.97 crore during 2019-20, 2022-23 and 2023-24, when there was no relaxation to the norm. Even during the relaxation period (2020-22), PEF assistance paid to non-PVTG SHGs constituted 35 *per cent* of the sanctioned amount, against the norm of 30 *per cent*. Also, ₹3.48 crore (54 *per cent*) was pending for recovery from non-PVTG SHGs. In four²⁰ MPAs, PEF assistance was given to more number of non-PVTG SHGs

¹⁹ Accounts and Finance Management, Agriculture and Horticulture, Income generation activities, Health, hygiene and nutrition; Livestock management, Natural farming, SHG management, *etc.*

²⁰ HKMDA, Jashipur; LDA, Morada; PBDA, Rugudakudar; SDA, Chandragiri

(472), compared to PVTG SHGs (243). As such, the Special Officers of these MPAs had not focused on economic empowerment of PVTGs. Payment of PEF assistance to non-PVTG SHGs was contrary to the PEF guidelines and against the spirit of creation of the PEF.

The Department stated (September 2025) that payment of PEF assistance had been made to non-PVTG SHGs only after saturating eligible PVTG SHGs. The reply is not tenable, as only 50 per cent PVTG SHGs had been covered under PEF.

- Out of ₹12.95 crore loan provided to 1,437 PVTG SHGs, ₹5.86 crore was repaid by the SHGs. An amount of ₹7.10 crore²¹ was outstanding for recovery, as of March 2024. Of the SHGs availing loan, 492 (35 per cent) had defaulted in repayment of ₹4.54 crore. The maximum number of SHGs failing in repayment of loans were from LDA, Morada (92 per cent) and DKDA, Chatikona (86 per cent).

The Department stated (September 2025) that proactive measures were currently being taken to motivate and counsel the SHG members on importance of loan repayment due to which the members had expressed their willingness to start repaying the outstanding loan amount.

- In the Endline Survey conducted by IFAD/ OPEIP during 2024, it was asserted that internal lending was highly beneficial for PVTG women to meet exigencies without being exposed to exploitation by money lenders. Despite benefits like low interest rate associated with availing loan from SHGs by the PVTGs, only 50 per cent of the PVTG SHGs had availed loan from PEF, as of March 2024.
- As per PEF guidelines, the MPA officials should prepare monthly progress report (MPR) on utilisation of funds, repayment performance, idle cash, etc., and submit these to the GPLF. The GPLF sub-committees²² were to review the repayment of loans. In case of defaulters, the sub-committee could take necessary actions like examining the reasons behind non-payment, creating peer pressure and bringing the matter to the Executive Committees etc. Records relating to preparation of Monthly Progress Reports, Executive Committee/ Sub-committee meeting proceedings were not made available to Audit. Absence of these records and reports revealed lack of monitoring of PEF by the MPAs which contributed to SHGs becoming defaulters in loan repayment.

Thus, administration of PEF for enhancing livelihood of PVTG women through financial credit, lacked proper monitoring and supervision by the MPAs and resulted in various shortcomings like payment of loan to ineligible SHGs, poor repayment of loans, etc.

The Department stated (September 2025) that the documents relating to the GB/ EC meetings were available at GPLF level under Mission Shakti Department, due to which the same could not be produced to Audit. The fact,

²¹ Includes interest of four per cent on loan amount

²² Sub-committees and Executive committees at GPLF level are formed by the representative of SHGs

however, remained that the MPAs should have these documents available with them for monitoring and taking corrective measures for successful implementation of the programme.

1.8.2 Improving social status of girls/ women through late marriage incentive scheme

The PMU introduced (December 2020) ‘Late marriage incentive to PVTG households’ programme under OPELIP, to create awareness regarding prevention of early marriage. Under the scheme, financial assistance ranging between ₹2,000 and ₹20,000 was to be paid to each girl²³, marrying after 18 years of age, in the shape of account payee cheque, in a community meeting in the presence of villagers to encourage other girls and their families to adopt a similar practice. Further, awareness campaigns like discussing the benefits of late marriage in the monthly VDC meetings, GPLF/ WSHG meetings and spreading awareness by each member *etc.* were to be undertaken. The CRPs were to identify girls of PVTG families marrying after 18 years and intimate the VDCs.

For this programme, a provision of ₹153.26 lakh was made during 2019-24, in the AWPBs of 17 MPAs to cover 1,161 PVTG girls. Against this, the MPAs incurred an expenditure of ₹95.24 lakh only towards payment of late marriage incentive to 677 (58 *per cent*) beneficiaries. This sub-optimal performance of the MPAs/ PMUs in promoting late marriage through payment of incentive for preventing child marriage indicated absence of monitoring, inadequate awareness by the VDCs/FNGOs/ MPAs and non-identification of beneficiaries.

Audit noticed that:

- Thirteen out of 17 MPAs provided records/ data regarding coverage of villages/ hamlets under the late marriage incentive scheme to Audit, while four other MPAs²⁴ had no such information. Beneficiaries assisted under the Late Marriage Incentive scheme in these 13 MPAs, belonged to 168 (43 *per cent*) villages only, out of a total of 389 villages under the jurisdiction of these MPAs. Thus, the scheme for late marriage incentive to prevent early marriage among the PVTGs, was not implemented in 214 villages. TDA, Tumba had not executed the programme in any of the 58 villages under its jurisdiction during 2019-24, though it had received ₹5.80 lakh for payment of incentive to 65 beneficiaries. In five²⁵ MPAs, marriage incentive had not been paid to 35 eligible beneficiaries, even after their identification and availability of funds. Reasons for non-payment were not on record. Similarly, 21 beneficiaries identified under two MPAs (Kuduguluguma: 16 and Chandragri:5) were not given assistance due to non-availability of funds. The SOs of these MPAs had not sought additional funds from the PMU for payment of incentive to these identified beneficiaries.

²³ 2019-20: ₹2,000; 2020-21: ₹10,000; 2021-22: ₹20,000

²⁴ (i) DDA, Kudumulugumma; (ii) TDA, Tumba; (iii) LSDA, Serango; (iv) BDA, Mudulipada;

²⁵ (i) JDA, Gonasika (11); (ii) PBDA, Rugudakudar (2); (iii) LSDA, Serango (5); (iv) BDA, Mudulipada (9); (v) PBDA, Khuntagaon (8)

- Awareness campaign, as outlined in the guidelines had not been undertaken for implementing the programme. Discussion of the scheme in monthly meetings of the VDCs and SHGs was missing. Non- implementation of the scheme in many of the PVTG villages during last five years (2019-24), showed laxity on the part of the concerned CRPs, in identification of eligible beneficiaries, in their villages.
- Audit noticed that most of the MPAs had no details/ information regarding child marriages taking place in the villages under their control despite the fact that the districts with higher concentration of tribal communities had witnessed more number of child marriages. Malkangiri reported the highest cases with 39.30 *per cent*, followed by Nabarangpur (37.90), Mayurbhanj (35), Koraput (34.70) and Rayagada (34.40), as per NFHS-4 (2015-16). Only five²⁶ out of 17 MPAs could provide details of child marriages (133 cases) that had taken place during 2019-24.

The Department stated (September 2025) that proactive steps were being taken at various levels for counselling and motivating the PVTG communities to refrain from getting their girls married before 18 years of age. The reply is not convincing, as the MPAs were not implementing the programme in true spirit as discussed above.

Recommendation 1.2:

The SSD department along with its field functionaries should take proactive action to scale up awareness campaigns amongst PVTG youth regarding the benefits of late marriage and incentives offered under the scheme therein.

1.9 Natural Resources Management and Livelihood Improvement

A holistic approach had been adopted in OPELIP for ensuring food security and creating livelihood opportunities. In this regard, the programme interventions included components related to farming, land allocation, irrigation systems, poultry farming, goat rearing, development of micro enterprises *etc.* Audit analysed the performances under these components and observations thereon are discussed in subsequent paragraphs.

1.9.1 Land and Water Resources Development

1.9.1.1 Allotment of land to PVTG households

The OPELIP programme aimed to facilitate identification and assignment of eligible revenue lands to the landless for homestead and agriculture under the relevant Government laws and settlement of individual rights under the Forest Rights Act (FRA). Land titles were to be issued in the joint names of husband and wife.

²⁶ (i) BDA, Mudulipada (9); (ii) PBDA, Khuntagaon (21); (iii) KKDA, Belghar (29); (iv) DKDA, Parsali (23), (v) LSDA, Puttasing (51)

Audit noticed from the records of the PMU that out of 64,214 households in 1,679 villages²⁷ under 17 MPAs, PMU did not have data about ownership of land in respect of 10,005 households, as of March 2024. Of the 54,209 households for which data was available, 40,829 households (75 per cent) had ownership over homestead/ agricultural land and the remaining 13,380 households (25 per cent) did not have any ownership.

OPELIP envisaged identification and allotment of eligible revenue lands to the landless for homestead and agricultural land and settlement of individual forest rights under the Forest Rights Act (FRA), 2006. In this regard, the SLPSC decided (August 2018) to allot land to all landless PVTG families. Accordingly, the Programme Director, OPELIP intimated (September 2018) all the District Collectors to complete the land allotment process by March 2019.

Audit noticed in four MPAs (Morada, Jashipur, Rugudakudar, Gonasika) that 1,551 households had been identified for allotment of land. Out of these, only 1,005 families had been allotted land. The remaining 546 families could not be allotted the same on grounds of non-identification of suitable land and delay in the land allocation process like corrections in Records of Rights (RoR).

Audit observed that the Special Officers, being the member convenors of the District Level Committees²⁸ (DLC), were to formulate action plans for land allocation and review the progress of work fortnightly. However, records relating to formation of the DLC and details of meetings held, were not made available to Audit. This raised the doubt that MPAs had not convened meetings of the DLCs to oversee land allocation for all PVTG families. As a result, 25 per cent PVTG households continued to remain landless, as of March 2024.

The Department stated (September 2025) that land allocation is a continuous process and the district administration had undertaken land allocation activities under FRA. It further added that the left out cases would be taken up during OPELIP II, which was planned to be implemented shortly.

1.9.1.2 Land development activities

Land development comprises activities like anti-soil erosion measures, conservation of rainwater in-situ, enhancing the overall availability of water in wells and springs, intensifying cropping and making farming productive and sustainable.

Out of the 17 MPAs, 10²⁹ MPAs provided target and achievement figures with respect to development of land, pertaining to the period 2019-24. Against the target of developing 5,213 hectares of land in the AWPB, land development of 2,866 hectares was achieved (55 per cent), as of March 2024. Performance of three MPAs (HKMDA, Jashipur, PBDA, Jamardihi and DDA, Kudumuluguma) remained poor, as their land development activities were

²⁷ Earlier notified PVTG villages: 541 and additional villages notified as per BLS-2018: 1,138

²⁸ Under the Chairmanship of the Collector with Sub-collector and Tahasildar as members

²⁹ (i) LDA, Morada; (ii) HKMDA, Jashipur; (iii) PBDA, Rugudakudar; (iv) PBDA, Jamardihi; (v) JDA, Gonasika; (vi) DDA, Kudumuluguma; (vii) LSDA, Serango; (viii) LSDA, Putasingh; (ix) KKDA, Belghar; (x) DKDA, Chatikona

below 40 *per cent* of the approved target. With regard to financial performance, these MPAs utilised ₹0.98 crore, which was only 28 *per cent* of the financial provision of ₹3.50 crore, during 2019-24.

Thus, the performance of the MPAs was sub-optimal compared to the target fixed in the AWPBs.

1.9.1.3 Irrigation projects lacked sustainability

To support improved crop production, cultivation of vegetables, winter crops, protection of paddy crop from erratic monsoons *etc.*, as part of water resource development component under OPELIP, the MPAs provisioned for irrigation facilities like lift/ pump irrigation, rainwater harvesting, solar based irrigation, *etc.* under different schemes.

During 2019-24, the MPAs had created 644 irrigation projects after an expenditure of ₹31.51 crore. Out of these, 83 irrigation projects involving an expenditure of ₹3.91 crore were reported as defunct by the MPAs, for three to 36 months. The reasons, as attributed by MPAs, were damage caused by miscreants, theft of solar panels, dry sources, non-working of submersible motors *etc.*

Audit conducted JPI of 40 out of 644 projects, in presence of representatives of the respective MPAs. These included 17 defunct and 23 functional projects, as per reports of the MPAs. During JPI, it was found that the 17 defunct projects were lying idle and no action had been taken either by the MPAs or VDCs to operationalise them. Moreover, six out of 23 projects reported as functional, were found defunct. These projects were non-functional due to defunct water pumps, damage of pipes/ water tanks, dry water sources *etc.* Though the projects were non-operational for more than one year, yet the MPAs and the concerned VDCs had neither reported these as defunct nor had taken any steps for restoration of these projects. This also resulted in over-reporting of functional status of the irrigation projects by the MPAs.

Audit observed that there was no provision of funds for repair and maintenance of the irrigation projects. As per the operational guidelines for formation and management of VDA/VDCs, concerned VDCs/ user groups were to operate and maintain the irrigation facility by collecting user fees from the beneficiaries. In fact, the concerned VDCs/ user groups had neither collected user fees nor maintained the irrigation projects due to which the projects continued to remain defunct. As such, the arrangement for repair and maintenance of the irrigation projects through collection of user fees from the poor PVTGs, was not viable, due to which the projects lacked sustainability, with adverse impact on sustenance of the PVTG farmers. One instance is discussed below:

As PVTG communities mostly rely on agriculture for sustenance, the failure of irrigation projects disrupted farming activities carried out by them, leading to reduced crop yields and financial instability. For instance, the farmers of Jagannathpur village under SDA, Chandragiri cultivated cabbage, cauliflower, brinjal, beans, etc., over two acres of land. A solar power project for providing irrigation was completed in September 2022 at a cost of ₹ six lakh. However, the irrigation project became defunct in October 2024 due to want of repair and maintenance. During the JPI conducted by Audit (along with MPA officials) in November 2024, it was noticed that the cultivated crops were damaged, as can be seen from Pictures 1.1 and 1.2. Further, the farmers stated that they used to carry water manually from the nearby water source due to non-operation of the irrigation project.



Picture 1.1: Defunct solar based irrigation project at Jagannathpur (27 November 2024)



Picture 1.2: Partly cultivated and partially damaged crop field, due to want of water at Jagannathpur village (27 November 2024)

Due to absence of proper arrangement for repair and maintenance, the defunct irrigation projects could not be made operational, resulting in potential water scarcity, impacting agricultural productivity.

While admitting that collection of user fees from the poor PVTG communities was a challenging issue, the Department stated (September 2025) that some user groups had collected and utilised user fees for repair and maintenance of irrigation projects. It further added that at present all irrigation projects were functional. The reply regarding functionality of all irrigation projects was not convincing, as 23 out of 40 projects were found non-functional during JPI.

Recommendation 1.3:

The State Government may consider assuming responsibility for operation and maintenance of irrigation projects for delivering intended benefits to the targeted PVTG population.

1.9.2 Food and Nutrition Security for women and children

To improve nutritional status of women and children of PVTG communities, the State Government launched (June 2020) the Odisha PVTG Nutrition Improvement Programme (OPNIP). The PMU had allocated ₹18.46 crore during 2021-24 to the MPAs for implementation of OPNIP. Under the programme, 116 Matru Sishu Poshan Kendra (MSPK) cum crèches/ Nutrition Resource Centres (NRCs) were established across all the 17 MPAs, providing safe hygienic space for children of working parents of PVTGs and offering

three nutritious meals to the children and hot cooked meals for pregnant and lactating mothers of PVTG communities.

The PMU had also engaged 17 Nutrition Co-ordinators (NCs) and 78 Gram Panchayat Nutrition Assistants (GPNAs) for implementing the programme.

Audit noticed that a sum of ₹15.79 crore had been utilised (as of March 2024), out of ₹18.46 crore allocated by the PMU and the balance fund of ₹2.67 crore was lying with the MPAs. On scrutiny of records at the PMU and MPAs, Audit observed the following:

- Out of 116 NRCs, only 61 were operational as the remaining 55 NRCs had not been made functional as of March 2024, even after three years of construction of new buildings, procurement of required materials³⁰, and engagement of manpower. The reason for non-operationalisation of 55 NRCs, constructed at a cost of ₹3.59 crore was that the Department had not made any provision for meeting the operational expenses of the NRCs, indicating poor planning by the SSD Department. Consequently, the targeted population of 8,517 children (6 months to 3 years) and 5,972 pregnant and lactating mothers in these localities could not avail the intended nutritional benefits. Also, the services of NRCs and GPNAs were underutilised/ not utilised, due to non-functioning of the NRCs.
- The PMU had no information/ data about the total eligible women/ children in MPAs, who had been enrolled in the NRC-cum-Crèches or were availing benefits under the programme. Also, the corresponding data on achievement/ improvement in health status of the beneficiaries for key indicators like Infant Mortality Rate (IMR), anaemia in children and women, institutional delivery *etc.* was not available with the PMU/ MPAs for evaluating the impact of the Scheme.

Public Health Resource Society (PHRS)³¹ had, however, made an analysis of indicators like severely wasted children³²/(SAM)³³, height as per age, weight as per age *etc.* for 1,841 children enrolled in 61 crèches, during April 2021 to February 2024, but the result of such analysis was not encouraging, as detailed in **Table 1.5**.

Table 1.5: Analysis of health indicators by the PHRS, 2024

Health parameters	Survey result
Severely wasted children	Only 46 (42 <i>per cent</i>) of the 110 severely wasted children, enrolled in the crèches for an average period of 15 months had moved to normal category ³⁴ (March 2024).
Height for age	Of the 1,204 children who had spent at least four months in the crèches, the percentage of severely stunted children increased from 23.70 <i>per cent</i> in April 2021 to 24.30 <i>per cent</i> in February 2024.
Weight for age	Out of 628 normal children, who had been enrolled in the

³⁰ Toys for children, LeD TV, inverters and solar system

³¹ A society engaged for evaluating nutritional status of the children

³² Severely stunted/ wasted children mean 'severely malnourished children'

³³ Severe Acute Malnutrition

³⁴ With proper weight and height according to age

Health parameters	Survey result
	<p>crèches for four months and more, only 493 could remain in normal category and the others moved to moderate and severe category of underweight children.</p> <p>Out of 558 children of moderate category, only 122 (22%) children moved to normal category, whereas 55 (10%) children moved to the severely underweight category.</p> <p>Only 110 (41 <i>per cent</i>) out of 267 severely underweight children had moved to moderate and normal category and the remaining 157 (59 <i>per cent</i>) continued to remain in the severe underweight category.</p>

(Source: Report of the PHRS, 2024)

Non-operationalisation of the new NRCs for prolonged periods indicated inadequate planning by the Department and the PMU. The implementation of the programme needed appropriate monitoring and periodical evaluation of the health indicators at MPA level to evaluate the effectiveness of the scheme.

The Department stated (September 2025) that provisioning of funds for running the NRCs was not an issue, but approval from the Women and Child Welfare Department was required for the same. The Department, however, assured to functionalise the NRCs during implementation of OPELIP II.

1.9.3 Livelihood Diversification

1.9.3.1 Nutrition support through Household Crop Development Programme

With the aim of providing nutritional support to PVTGs, the SSD Department launched (April 2022) the Household Crop Development Programme under OPELIP. Under the programme, each household was to be supplied with a kit of mango graft, sapoti graft, guava *goote*, various types of seedlings along with manure, fencing material *etc.* Further, the MPAs/ FNGOs were to ensure success of this plantation programme through proper monitoring by Community Service Provider (Agriculture/ Horticulture)/ CRP/ Village Agriculture Worker (VAW).

On test-check of related records, Audit noticed that 10,113³⁵ kits of household crops, costing ₹5.70 crore had been supplied to 10,113 beneficiaries under 17 MPAs, during 2022-23. From the survival status reports (July 2023), prepared by the MPAs, it was noticed that 84,324 (50.90 *per cent*) out of 1,65,659 plants supplied to the beneficiaries, had not survived. In cases like PBDA, Jamardihi, it was noticed that the survival rate was only 21 *per cent*, followed by KKDA, Lanjigarh, where 36 *per cent* of plants survived. Also, the survival status of plants in eight³⁶ MPAs was below 50 *per cent*.

During joint physical inspection of 25 sites and interaction with the beneficiaries during August-December 2024, only 91 (21 *per cent*) out of 434 plants planted during 2022-23, were found surviving. In case of six beneficiaries, no plants had survived.

³⁵ Regular: 6,477 kits at ₹6,000 per kit (₹3.88 crore); Mini: 3,636 kits at ₹ 5,000 per kit (₹1.82 crore)

³⁶ (i) JDA, Gonasika; (ii) DKDA, Parsali; (iii) LSDA, Puttasing; (iv) DKDA, Chatikona; (v) DDA, Kudumulguma; (vi) HKMDA, Jashipur; (vii) BDA, Mudulipada; (viii) PBDA, Rugudakudar

Audit observed that need based analysis prior to distribution of household crop kits, had not been done by the MPAs to assess the interests of beneficiaries in planting these crops and their subsequent maintenance. The MPAs along with community persons like CSP/ CRP/ VAW had also not monitored raising of plants by the beneficiaries. Thus, planning at the ground level was absent due to which the programme was not successful, rendering the expenditure of ₹5.70 crore largely unfruitful.

While attributing non-survival of plants to scanty rainfall and scarcity of water supply during summer, the Department stated (September 2025) that steps were being taken for gap filling of the plants under MGNREGS. The reply was not tenable as all these factors should have been considered before implementing the programme with active participation of the beneficiaries.

1.9.3.2 Unproductive model nurseries

A provision for establishment of model nurseries was made in the AWPB 2019-20 and 2020-21, by the SSD Department under OPELIP with an estimate of ₹10 lakh for each nursery.

Audit noticed that 24 model nurseries had been planned in the AWPBs for 2019-20 and 2020-21. Against this, 19 nurseries had been established (2020-23) in 13 MPAs³⁷ as of March 2024, of which 10 were reported as functional and nine as non-operational.

Audit test-checked records of four model nurseries under four³⁸ MPAs, established at a cost of ₹32.11 lakh and also conducted (August to December 2024) JPIs with the representatives of the MPAs. During JPIs, it was found that all the nurseries were defunct/ in damaged condition, as can be seen from **Pictures 1.3 to 1.6** and detailed in **Table 1.6**.

Table 1.6: Details of model nurseries found defunct during JPI

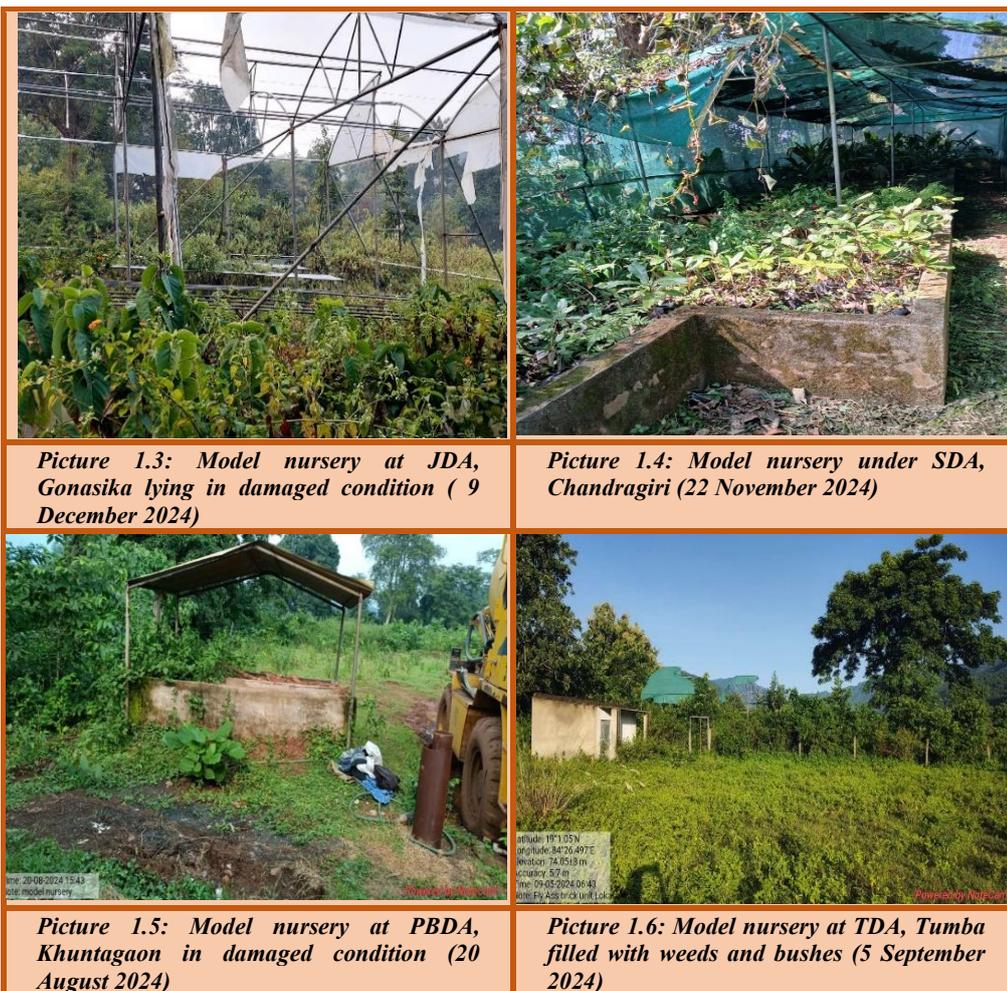
Sl. No.	MPA	Completion date	Expenditure (in ₹ lakh)	Date since defunct	Reasons
1	SDA, Chandragiri	March 2021	9.70	August 2022	Want of funds for management.
2	TDA, Tumba	March 2022	8.73	March 2022	Lack of power supply to the nursery.
3	PBDA, Khuntagaon	March 2021	6.29	August 2022	Lack of electricity.
4	JDA, Gonasika	March 2020	7.39	2022-23	Reasons not on record.

(Source: Records of the MPAs)

The nurseries were found in damaged conditions, filled with weeds and bushes. The VDCs/ SHGs, responsible for managing the model nurseries had not maintained any records/ registers for seedlings raised, seedlings sold and profit earned, as envisaged in the scheme guidelines. In absence of such records, actual raising of seedlings, using the nurseries could not be vouchsafed in Audit.

³⁷ Except BDA Mudulipada, LSDA Serango, DDA Kudumuluguma and CBDA Sunabeda

³⁸ JDA, Gonasika; SDA, Chandragiri, PBDA, Khuntagaon; TDA, Tumba



Picture 1.3: Model nursery at JDA, Gonasika lying in damaged condition (9 December 2024)

Picture 1.4: Model nursery under SDA, Chandragiri (22 November 2024)

Picture 1.5: Model nursery at PBDA, Khuntagaon in damaged condition (20 August 2024)

Picture 1.6: Model nursery at TDA, Tumba filled with weeds and bushes (5 September 2024)

Thus, implementation of the programme was not need based and lacked proper monitoring by the concerned MPA and the PMU for its effective execution. Effective action taken by the MPA officials including JAO/AO and JEs for operationalising the nurseries was found missing, despite instructions issued by the Programme Director. Consequently, the objective of raising seedlings/hardening of plants in MPA areas, was not achieved and the expenditure incurred on establishing these nurseries became largely wasteful.

The Department stated (September 2025) that model nurseries were operational initially, but got damaged due to repeated cyclones. It further added that repair and maintenance could not happen due to adverse climatic conditions from time to time. The reply is not tenable as no action had been taken by the user agencies/ MPAs for restorations of the nurseries.

1.9.3.3 Poultry farming

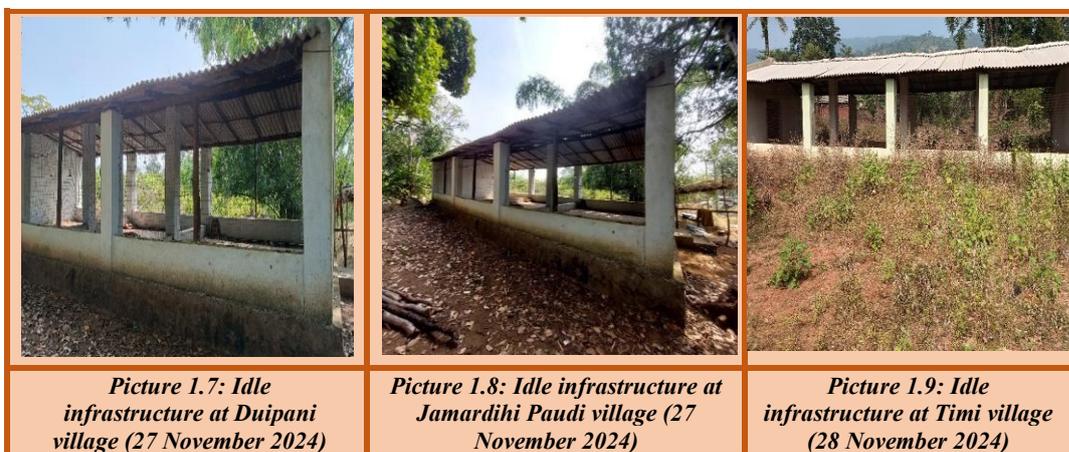
Backyard poultry farming was one of the interventions promoted for nutrition-based livelihood activities, aimed to alleviate rural poverty, eradicate malnutrition and create additional income and employment opportunities for small/ marginal farmers in PVTG areas. The programme was implemented by the MPAs in convergence with the Fisheries and Animal Resources Development (FARD) Department, GoO.

On scrutiny of records and data provided to Audit, it was noticed that 33,860 beneficiaries had been assisted under poultry rearing programme by 15

MPAs³⁹, during 2019-24, incurring an expenditure of ₹12.76 crore. The assistance was given both by the MPAs (₹7.51 crore) and the FARD (₹5.25 crore). Under this convergence programme, FARD had supplied chicks to the beneficiaries and the MPAs had supplied egg laying birds, chicks, iron cages, etc.

During JPI and beneficiary survey (August-December 2024), it was noticed that out of the 124 beneficiaries who were supplied with poultry chicks under 17 MPAs, 95 beneficiaries reported that the chicks supplied to them did not survive. Besides, eight beneficiaries stated that only 5 out of 20 chicks could survive, 18 beneficiaries informed that 10 to 20 out of 40 chicks had survived. Thus, poultry farming interventions were not successful, as due to low survival rate of chicks, the aims of nutritional support and livelihood generation could not be met. Also, details of trainings imparted to the beneficiaries by the Block Veterinary Officers, on feeding and watering, brooding and rearing of young chicks, etc., as required under the guidelines (FARD Department) for rural backyard farming were not on record at the MPA level.

It was also noticed that ₹23.76 lakh had been spent during 2022-24, on construction of 1000-unit capacity poultry sheds to support 11 SHGs under PBDA, Jamardihi. Nine out of these 11 SHGs had also been provided ₹5.18 lakh (at ₹57,600 each) for purchase of poultry birds, as FARD share. It was observed that none of the SHGs had purchased the birds till date of Audit (November 2024). On JPI of three such sites, it was observed that the infrastructure created for poultry farms was lying idle for more than one year (**Pictures 1.7 to 1.9**).



This shows that the MPAs/ FNGOs had not taken effective action and monitored the activities of the SHGs to operationalise the 1000-unit poultry bird scheme. Further, after transferring the funds to the SHGs, the MPAs/ FNGOs had not ensured their utilisation for poultry farming, by extending necessary support and guidance to the beneficiaries.

The Department stated (September 2025) that in order to avoid economic losses, supply of chicks had been deferred due to pre-mature or high risk mortality. Regarding functionality of 1000-bird unit, it was stated that letter

³⁹ Except PBDA, Khuntagaon and LSDA, Serango, which did not furnish records/ data to Audit

had been issued to OPOLFED (a State level apex cooperative marketing organisation) for supply of poultry birds.

1.9.3.4 Implementation of goat rearing programme

To create employment opportunities and support economic upliftment of PVTG households, financial assistance was provided to the women SHGs for promoting goat rearing, as this was considered as a profitable intervention in tribal areas. The scheme was implemented in convergence mode with 50 per cent assistance coming from FARD and the balance 50 per cent from OPELIP. The scheme was to be implemented by the respective MPAs, with financial assistance of ₹2.30 lakh to each SHG, being shared equally, i.e., ₹1.15 lakh each by OPELIP and FARD. The PVTG women members were to avail assistance for goat rearing through their SHGs.

As per the scheme guidelines, OPELIP fund share included provision of ₹45,000 for construction of a community goat shed and ₹70,000 for purchasing goats (10 does and one buck) including insurance charges and miscellaneous expenses, while FARD share of ₹1.15 lakh was meant for procurement of 20 does and one buck.

Audit noticed that 17 MPAs had released their own share of ₹ 6.51 crore to 566 SHGs under the goat rearing programme, during 2019-24. Against its share of ₹6.51 crore, FARD had released ₹5.46 crore to the MPAs. Thus, there was short release of ₹ 1.05 crore by the FARD, due to which SHGs under seven⁴⁰ MPAs could not avail further assistance. Reasons for less release of funds by the FARD were not on record. Also, FARD share of ₹1.06 crore out of ₹5.46 crore, received (2021-24) by three MPAs (DKDA, Parsali: ₹20.70 lakh; KKDA, Belghar: ₹20.70 lakh, KKDA, Lanjigarh: ₹64.40 lakh) had not been disbursed to 92 SHGs and was lying in the bank accounts of the MPAs, as of January 2025.

All SHG members were supposed to keep their goats in the goat sheds constructed under this programme. During the beneficiary survey and joint physical inspection with the MPA staff, Audit noticed that the SHG members did not keep their goats in the community shed due to fear of theft. Instead, they kept them in individual sheds near their houses. Consequently, most of the community goat sheds which had remained unused were either damaged or in dilapidated conditions. During JPI, 21 (75 per cent) out of 28 goat-sheds were found completely damaged/ abandoned (**Pictures 1.10 to 1.13**). The PMU also changed (October 2022) the guidelines from community goat shed to individual shed due to security reasons. Thus, the concept of community goat shed was not prudent and based on felt needs of the local PVTG community. Also, the expenditure of ₹2.55 crore⁴¹ (approximately) on construction of community goat sheds proved largely wasteful.

⁴⁰ (i) HKMDA, Jashipur (₹31.75 lakh); (ii) PBDA, Khuntagaon (₹21.85 lakh); (iii) TDA, Tumba (₹5.75 lakh); (iv) DKDA, Chatikona (₹18.40 lakh); (v) DKDA, Parsali (₹1.15 lakh); (vi) PBDA, Jamaridihi (₹24.15 lakh); (vii) PBDA, Rugudakudar (₹2.30 lakh)

⁴¹ ₹45,000 X 566 (SHGs assisted under the programme)



Audit also observed the following gaps in the implementation of the programme:

- The fatality of goats was high in eight⁴² test-checked SHGs under three MPAs (Khuntagaon, Mudulipada and Serango). Out of 178 goats procured by these SHGs, 111 had died, as stated by the SHG members. Neither the MPAs nor the SHGs could furnish insurance and vaccination details, indicating that the goats were not insured/vaccinated, though the total financial assistance included estimates for these items.
 - ✓ Two SHGs (Aitang Dongar and Bali Dongar) under MPA, Mudulipada did not utilise the total assistance. Each of these SHGs had utilised ₹1.15 lakh, out of the assistance of ₹2.30 lakh, and kept the balance amount (₹1.15 lakh each) in their bank accounts. Reasons for non-release of funds were not on record. Thus, the benefit under the scheme was partially availed by the SHG members and the PVTG beneficiaries.
 - ✓ Maa Banadevi SHG under MPA, Khuntagaon, had utilised ₹1.55 lakh only, out of the assistance of ₹2.30 lakh, for purchasing 18 goats instead of 32. The balance amount of

⁴² (i) Maa Shibani SHG; (ii) Maa Banadevi SHG; (iii) Agarbati SHG; (iv) Maa Laxmi SHG; (v) Jyoti SHG; (vi) Lili SHG; (vii) Aitang Dongar SHG; (viii) Bali Dongar SHG

₹74,600 was distributed among 19 persons as loan. This indicated ineffective monitoring of the programme by the MPA and the FNGO.

Thus, goat rearing, though a profitable intervention, suffered from inadequate support and monitoring by the MPAs/ PMU and FNGO. Proper monitoring could have yielded better benefits to the poor PVTG population, in terms of their economic empowerment.

The Department stated (September 2025) that due to delay in inspection by block level inspection team and processing of the required procedure release of FARD share had been hindered. The fatalities in Khuntagaon MPA were attributed to disengagement of the FNGO, and to inaccurate reporting by the SHGs, in case of other MPAs. No specific reply was furnished in regard to wasteful expenditure on construction of community goat sheds.

Recommendation 1.4:

Nutrition and livelihood support schemes may be designed with the involvement of local communities, and proper training as well as hand holding support may be provided for upliftment of the PVTG population.

1.9.4 Development of micro enterprises

With the aim to supplement the income of vulnerable households⁴³, the SSD Department had introduced the Income Generation Activity (IGA) scheme. Under the scheme, financial assistance (₹10,000 to ₹30,000) was to be given to beneficiaries, through respective VDCs for different income generation activities like rope making, grocery store, blacksmithy, carpentry, local vending, repair shops *etc.* The scheme guidelines stipulated that the PVTG beneficiaries under the scheme should be more than 90 *per cent* of the total beneficiaries.

1.9.4.1 Self-employment through IGA

It was noticed that 17 MPAs had incurred ₹13.79 crore under the IGA scheme for providing financial assistance to 5,825 beneficiaries during 2019-24. This included 3,747 PVTG and 2,078 non-PVTG beneficiaries. Audit observed that:

- The PVTG people assisted under the scheme constituted 64 *per cent* of the total beneficiaries, when the scheme guidelines advocated that more than 90 *per cent* beneficiaries should be PVTGs. In respect of three⁴⁴ MPAs, IGA assistance given to non-PVTG members (835) was more than the PVTG beneficiaries (626). The MPAs, thus ignored the scheme guidelines and extended the benefit to the non-PVTG people.
- As reported by the MPAs, 1,362 beneficiaries (23 *per cent*) assisted with ₹2.38 crore, had closed their business/ activities, for which they had been given financial assistance under the scheme. This indicated

⁴³ Includes poorest of the poor, differently-abled individuals, women-headed households, PVTG members, old persons, *etc.* without family support

⁴⁴ (i) LDA, Morada; (ii) HKMDA, Jashipur; (iii) PBDA, Rugudakudar;

failure of the MPAs and the FNGOs in rendering necessary support and guidance to the IGA beneficiaries for running the businesses / activities for income generation.

- The Special Officers (SOs) of the MPAs were to convene fortnightly review meetings with the staff of the MPA and FNGO, to ensure that the progress of the business activities undertaken by the beneficiaries, was recorded regularly. Holding of such meetings by the SOs, was however, not on record.

Thus, implementation of IGA lacked a focused approach and a robust monitoring mechanism to make the programme more effective in improving livelihood of the targeted beneficiaries.

Good Practices

Despite above irregularities in executing the programme, some beneficiaries were found to be successful in running their business, adding to their regular income. Some of these success stories of the IGA beneficiaries are discussed below:

Sura Juang of Talachampe village, Bansapal block under JDA, Gonasika had received assistance of ₹22,500 under IGA scheme during 2021-22 for opening a grocery shop. She had established the grocery shop and was running the business successfully. She was earning about ₹8,000 to ₹10,000 per month from the shop to supplement her livelihood.



*Picture 1.14: Grocery shop of Sura Juang
(12 December 2024)*



*Picture 1.15: Tiffin centre of Manga Hansda
(20 September 2024)*

Manga Hansda of Durdura village under HKMDA, Jashipur had been provided assistance of ₹27,000 in the year 2021-22 for opening one tiffin centre. He had been running his tiffin centre successfully, earning about ₹10,000 per month to support his livelihood.

Sukanti Nayak of Jalisuan village, Barkote block under PBDA, Rugudakudar had received IGA assistance of ₹18,000 in the year 2020-21. She was found to be running her tailoring work effectively, earning about ₹15,000 per month.



Picture 1.16: Tailoring unit of Sukanti Nayak (08 November 2024)

The above success stories showed that the IGA scheme, if implemented efficiently, could considerably improve the livelihood of PVTGs.

The Department attributed (September 2025) closure of business to migration of beneficiaries and use of assistance money for urgent need of their families. It further added that the assistance was provided to other ST and SC beneficiaries like widows, divorcees, women headed households *etc.* The fact however, remained that extension of benefits to more number of non-PVTG beneficiaries was in violation of the guidelines, which denied the IGA benefits to the PVTGs.

1.9.4.2 IGA through establishment and operation of eco-cottage complexes

Ministry of Tribal Affairs (MOTA), GoI approved (2018-19) the proposal for establishment of eco-cottage complexes for promotion of eco-tourism in MPA areas under CCD plan at four places⁴⁵. This scheme was to promote tourism in the State and provide livelihood opportunities to the PVTG community. The guidelines mandated that the eco-cottage complexes would be managed by the VDCs of PVTGs.

Audit noticed that the SSD Department had sanctioned and released (February 2019) ₹ one crore each in favour of four MPAs⁴⁶, for establishing eco-cottage complexes. The Department also decided (August 2020) to execute the works through the Forest and Environment (F&E) Department. Accordingly, correspondence with the F&E Department for executing the works were carried out. However, after September 2020, no further correspondences were found in the records. Audit noticed that three MPAs (Belghar, Chatikona and Chandragiri) transferred⁴⁷ the funds (₹2.78 crore) to the respective Integrated Tribal Development Agencies (ITDAs) (Baliguda, Gunupur and Paralakhemundi) for

None of the four eco-cottage complexes could be established, even after five years of sanction of funds, which denied the intended livelihood opportunity, to the PVTG communities.

⁴⁵ (i) Belghar (Kandhamal), (ii) Chatikona (Rayagada), (iii) Chandragiri (Gajapati); (iv) Jashipur (Mayurbhanj)

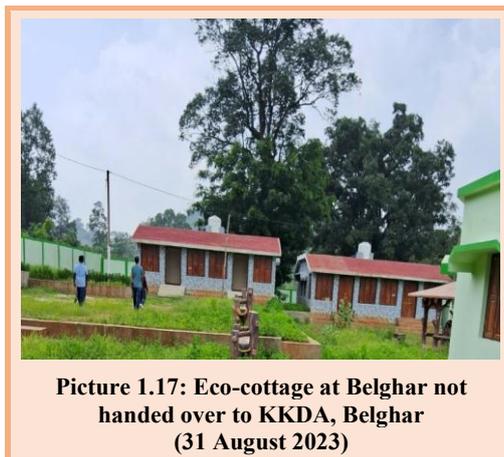
⁴⁶ (i) DKDA, Chatikona; (ii) HKMDA, Jashipur; (iii) KKDA, Belghar; (iv) SDA, Chandragiri

⁴⁷ (i) KKDA, Belghar: August 2021; (ii) DKDA, Chatikona: January 2021; (iii) SDA, Chandragiri: July 2023

construction of the eco-cottage complexes. The remaining one MPA (Jashipur) had retained the funds, as of September 2024. The MPAs, after transferring funds to the ITDAs had neither followed up the progress of constructions nor asked for refund of the amount, in case the work was not done. As such, there was no data/ information available with the MPAs about the status of construction or utilisation of funds by the ITDAs, as of January 2025.

In this regard, Audit observed the following:

- During audit of accounts of the ITDA, Baliguda (July-September 2023), it was observed that the ITDA, Balliguda had incurred ₹ one crore on construction of eco-cottage complex at Belghar. Although the ITDA had constructed the complex, it did not hand it over to the MPA. On being pointed out by Audit, the Project Administrator of the ITDA had assured (September 2023) that the asset would be handed over to KKDA within 15 days after completing some ancillary works. However, the eco-cottage complex had not been handed over to KKDA, Belghar and was lying idle, as of December 2024.



The Department stated (September 2025) that the construction work was in progress, and after completion, standard operating procedure would be prepared for functioning of the eco-cottage.

- The MPA (SDA), Chandragiri transferred (July 2023) ₹78 lakh to the Project Administrator (PA), ITDA, Paralakhemundi for construction of an eco-cottage complex at Chandragiri. Out of the remaining ₹22 lakh from the sanctioned amount of ₹ one crore, the MPA had spent ₹18.09 lakh in construction of boundary walls around the eco-cottage site and retained the unspent amount of ₹3.91 lakh in its account. As of March 2025, the ITDA had not started the work and the funds were lying with the PA.

The Department stated (September 2025) that tender had been re-floated and the construction work would start after finalisation of the executant.

- In case of eco-cottage under the MPA, Chatikona, the MPA transferred (January 2020) ₹ one crore to the ITDA, Gunupur, without stipulating any timelines for completion. During the JPI conducted by Audit (28 October 2024), it was seen that the cottages were still under construction after lapse of more than four years of transfer of funds (**Picture 1.18**).



Picture 1.18: Incomplete Eco-cottage complex at Chatikona (28 October 2024)

The Department stated (September 2025) that the construction of building work had been completed and electrification work was in progress. After completion of the work, the eco-cottage complex would be handed over to the MPA for operation.

- The amount of ₹ one crore placed with MPA (HKMDA), Jashipur was lying unutilised in its accounts. Audit observed that neither the executing agency had been decided nor had any appropriate site been selected for establishing the project, as of September 2024.

The Department stated (September 2025) that funds were lying with the MPA as the site for construction had not been finalised.

Thus, even after five years of sanction of funds by the GoI, the objective of promoting tourism in MPA areas, especially for creating livelihood opportunities for the PVTG communities, had not been fulfilled.

1.9.4.3 Livelihood security through MGNREGS works

To enhance livelihood security and reduce poverty levels amongst the tribal people (including PVTGs) and to create durable assets, the MPAs executed/implemented different income generating activities in convergence with the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) of GoI. The MPAs submitted proposals for executing different works within their respective areas to the concerned District Rural Development Agency (DRDA) for approval. After approval by the DRDA, the MPAs took up the approved works under MGNREGS, as per the prescribed guidelines, in the micro project areas to benefit the poor ST people including PVTGs.

Audit noticed that 11,493 projects with estimated cost of ₹267.79 crore were approved by the DRDAs for execution by 15 MPAs⁴⁸, during 2019-24. Out of the sanctioned works, the MPAs had taken up 5,223 works (45 per cent) and incurred expenditure of ₹93.64 crore (35 per cent) as of March 2024, as shown in **Table 1.7**.

⁴⁸ Data not available for two MPAs (PBDA Khuntagaon; and CBDA, Sunabeda)

Table 1.7: MPA wise projects approved and taken up under MGNREGS (₹ in lakh)

Sl. No	MPAs	Projects/works approved	Projects/works taken up (per cent)	Project cost	Expenditure	Percentage of Expenditure
1	TDA, Tumba	736	290 (39)	650.04	258.14	40
2	LDA, Morada	423	267 (63)	1358.23	775.22	57
3	HKMDA, Jashipur	920	124 (13)	2787.28	316.95	11
4	DDA, Kudumuluguma	1168	513 (44)	1265.54	450.76	36
5	BDA, Mudulipada	521	405 (78)	826.56	408.22	49
6	SDA, Chandragiri	496	325 (66)	1347.22	725.56	54
7	LSDA, Serango	368	180 (49)	1592.61	501.01	31
8	LSDA, Puttasing	813	277 (34)	4563.63	933.61	20
9	KKDA, Belghar	294	226 (77)	1341.48	563.99	42
10	DKDA, Chatikona	1559	682 (44)	2556.15	1488.96	58
11	DKDA, Parsali	1205	254 (21)	1113.54	242.14	22
12	PBDA Rugudakudar	233	147 (63)	255.98	142.37	56
13	PBDA Jamardihi	1262	335 (27)	1928.43	133.69	7
14	JDA Gonasika	342	244 (71)	1382.39	549.09	40
15	KKDA, Lanjigarh	1153	964(84)	3809.98	1874.17	49
	Total	11,493	5,223(45)	26,779.06	9,363.88	35

(Source: Data obtained from the MPAs)

Audit observed that:

- The unutilised amount of ₹174.15 crore included ₹115.02 crore towards the labour component, which could potentially have created income sources through wages for the benefit of the marginalised communities.
- The performances of four⁴⁹ MPAs were insignificant, as only 13 to 34 per cent of the approved works could be taken up by them, indicating their poor execution capabilities. In case of MPA (PBDA), Jamardihi, it was observed that only seven per cent of the available funds could be spent, highlighting poor performance. Such poor performance was attributed to shortage of staff and non-availability of regular Special Officers in the MPAs.

Thus, poor implementation of works under MGNREGS by the MPAs defeated the very objective of the programme for providing livelihood means to poor people, including PVTG communities.

While acknowledging the low performance under MGNREGS works, the Department attributed the shortfall in physical and financial achievement to delay in labour and material payment, challenges due to inter-departmental preferences, Covid 19 impact, etc.

The reply was not tenable. The MPAs should have taken up the matter with the line department to sort out the issues and execute the approved works for the benefit of the poor tribal community.

⁴⁹ (i) HKMDA, Jashipur; (ii) DKDA, Parsali; (iii) PBDA, Jamardihi, (iv) LSDA, Puttasing

1.9.4.4 Unproductive plantation programmes

Activities undertaken by the MPAs in convergence with MGNREGS included plantation projects to provide livelihood support to the tribal community. The plantation projects included cashew plantation, mango plantation, lemon grass cultivation *etc.*

On scrutiny of relevant records and analysis of data made available to Audit, it was noticed that 14 MPAs⁵⁰ had undertaken 1,613 plantations (Mango, Cashew, Lemon grass and K Lime) during 2019-24, incurring an expenditure of ₹36.11 crore, in convergence with MGNREGS, by engaging labour and supplying input materials. The payments were made for these projects by the line departments, following the procedure outlined in the MGNREGS guidelines. The status of the plantations (August to December 2024) as furnished by the 14 MPAs, is shown in **Table 1.8**:

Table 1.8: Status of plantation programmes

Sl. No.	Name of the MPA	No. of plantation projects	No. of plants planted	Expenditure (₹ in lakh)	Survival percentage
1	SDA Chandragiri	28	16770	60.16	90
2	LSDA Serango	63	16375	334.35	80
3	PBDA Jamardihi	171	24470	31.23	67
4	KKDA, Belghar	64	53800	252.68	66
5	DDA Kudumuluguma	117	38510	217.36	70
6	LDA Morada	68	7600	735.06	50 to 60
7	HKMDA Jashipur	17	16600	190.23	26 to 77
8	DKDA, Chatikona	284	143140	578.99	51
9	LSDA, Puttasing	152	135475	443.85	43
10	DKDA, Parsali	47	13300	67.61	43
11	PBDA Rugudakudar	54	2160	26.13	37
12	TDA Tumba	222	20091	85.07	Records not available
13	BDA Mudulipada	303	50200	262.10	Records not available
14	JDA Gonasika	23	75600	325.11	5 projects damaged by elephants/ public. In 18 projects, survival rate was 30 to 92 per cent.
	Total	1,613	6,14,091	3,610.93	

(Source: Data furnished by MPAs)

Audit conducted JPI of 59 plantation projects under 10⁵¹ MPAs along with the representatives of the MPAs (during August to December 2024). During JPI, it was seen that in 18 (35 per cent) out of 59 plantation projects (eight cashew and 10 mango), raised at a cost of ₹73.55 lakh during 2019-24, no related plants were existing. Non/ low survival of plants was mainly due to lack of proper maintenance after plantation. Also, non-involvement of beneficiaries in raising of these plants, after plantations were done in their field as well as absence of proper monitoring by the Special Officers of the MPAs, contributed to failure of these plantation projects.

⁵⁰ Data of three MPAs was not available

⁵¹ (i) JDA, Gonasika (2); (ii) PBDA, Jamardihi (8); (iii) PBDA, Rugudakudara (11); (iv) HKMDA, Jashipur (13); (v) LDA, Morada (12); (vi) TDA, Tumba (4); (vii) BDA, Mudulipada (2); (viii) DDA, Kudumuluguma (2), (ix) KKDA, Belghar (1); (x) DKDA, Chatikona (4)

In case of JPI of five lemon grass plantations, it was noticed that while lemon grass fields were existing, the farmers had no earnings from the same as no post harvesting arrangements and marketing linkages had been put in place by the MPAs, rendering the expenditure of ₹1.23 crore wasteful. Some instances of plantations having no such plants, are shown in **Pictures 1.19 to 1.22**.



Picture 1.19: Lemon grass field at Gadigaon village under MPA, Morada without harvesting (4 September 2024)



Picture 1.20: Cashew field dumped with construction materials at Mundabani, Gadigaon under MPA, Morada (4 September 2024)



Picture 1.21: Cattle grazing in the cashew field at Badagaon, under MPA, Jashipur (20 September 2024)



Picture 1.22: Mango field of Sumanta Sahu of village Haridanali under MPA, Regudakudara having no mango plants (10 November 2024)

Audit observed that efforts to make the beneficiaries involved in activities like post planting care, watch and ward *etc.*, had not been taken by the MPAs. The MPAs had also not monitored progress in growth of plants in different plantations to take measures, if any, as and when required. Thus, the stakeholders' responsibility was completely absent, resulting in wasteful expenditure of ₹1.97 crore on these 23 plantations.

The Department stated (September 2025) that the survival rate of plants in 18 plantation projects was more than 60 *per cent* and not below 35 *per cent*. The reply is not tenable as the actual survival status reported by Audit was as per the JPI done with the representatives of the MPAs.

1.9.4.5 Procurement of input materials

As per Finance Department, Govt. of Odisha circular dated 13 February 2012, procurement authorities must ensure efficiency, economy and transparency in public procurement, while maintaining fair competition. Specifications regarding quality, type and quantity should be clearly defined, offers should be invited through a fair and transparent process and selected prices should be reasonable and consistent with quality standards.

The Central Vigilance Commission (CVC) circular dated 6 April 2021 mandated that tendering or public auctions should be the primary method for

awarding contracts. Awarding contracts on nomination basis restricts competition, fairness and equity. Open competitive bidding should remain the preferred mode of tendering.

Moreover, the Cooperation Department, Government of Odisha, through Resolution (June 2005), had withdrawn the privilege⁵² granted to Odisha Consumers Cooperative Federation (OCCF) Limited, due to monopoly concerns. It mandated that OCCF and other cooperative societies should compete with other suppliers to ensure transparency and economic efficiency.

On scrutiny of related records Audit noticed that the MPAs had procured input materials like fertiliser, seeds, manure *etc.*, for executing different activities during 2019-24. Thirteen MPAs⁵³ had procured input materials for ₹26.43 crore to carry out Agriculture/ Horticultural/ IGA programmes. The input materials were procured from different cooperative societies like OCCF and Regional Cooperative Marketing Society (RCMS).

Audit observed that the MPAs had not followed any tendering procedure for procurement of materials, as required under the procurement guidelines. Both the MPAs and the PMU had not made any effort to empanel a pool of suppliers for the input materials or to discover fair market price for the input materials by conducting any formal market surveys or by obtaining price quotations. Rather, the PMU had directed (November 2019) the MPAs to procure materials from the State owned Cooperative societies like OCCF, RCMS *etc.* The price of the items, offered by the Co-operative Societies, was simply accepted and paid by the MPAs.

PBDA, Jamardihi had procured input materials for household crops during 2023-24 by following the tender procedure. Resultantly, the MPA could save ₹1.67 lakh in procuring materials worth ₹12.99 lakh, as compared to the price offered by the Cooperative societies/ rates fixed by the PMU.

Procurement of materials without following the tendering procedure raises the risk that most competitive and fair price had not been obtained and would result in lack of transparency in the procurement process.

The Department stated (September 2025) that the MPAs had constituted procurement committees and procured the seeds from the vendors/ suppliers. The reply was not tenable, as the MPAs had procured the input materials only from the cooperative societies, at the rates as cited by them.

Recommendation 1.5:

The Department may design nutrition support schemes with community involvement and strengthen crop development interventions through assured water supply for improving crop production.

⁵² Procuring articles by Government and Public Undertakings from OCCF and other cooperative societies

⁵³ DKDA Chatikona, LSDA Puttasingh, DKDA Parsali, KKDA Belghar, LDA Morada, HKMDA Jashipur, PBDA Jamardihi, PBDA Khuntagaon, BDA Mudulipada, SDA Chandragiri, DDA Kudumuluguma; CBDA Sunabeda and LSDA Serango

1.10 Community Infrastructure and drudgery reduction

Drudgery reduction interventions under OPELIP played a crucial role in enhancing the economic and social well-being of the PVTGs. Improved access to water, energy and agricultural tools plays a significant role in reducing the time and effort that women spend on daily tasks, and thereby create opportunities for better economic engagement, social participation and overall quality of life. This objective can be achieved through development of social infrastructure, market infrastructure and drudgery reduction interventions like construction of drinking water projects, construction of storage facilities, distribution of milling units *etc.*

1.10.1 Operation and Maintenance of drinking water projects

To reduce drudgery for women in terms of fetching drinking water from distant sources, operation and maintenance of drinking water projects under OPELIP were to be taken up by the MPAs. As per programme guidelines, the VDCs would identify suitable sites and alignment for water supply schemes, in consultation with the FNGOs. The FNGO would then submit a detailed report, along with the resolution of the VDC to the MPA for sanctioning of the projects. Upon approval, the MPA would release funds to the concerned VDCs for execution.

Audit noticed that the 17 MPAs had created 824 drinking water projects incurring ₹25.98 crore, during 2019-24. Of these, 101 (12 *per cent*) projects, constructed at a cost of ₹3.20 crore were non-functional, as reported by the MPAs.

Audit observed that there was no proper planning in place for repair and maintenance of drinking water projects. Absence of coordination between the line department (PR&DW) and the SSD department was also noticed, due to which multiple projects were found to be established in same villages by both the departments, and defunct projects were not restored. Consequently, the drinking water projects remained non-functional and the residents had to follow traditional manner of collecting water from rivers, ponds, canals, *etc.*, for drinking purposes, as was noticed during joint physical inspection of these projects.

Joint physical inspection was conducted for 69 out of 824 drinking water supply projects, which included 35 functional and 34 non-functional projects (as per reports of the MPAs). Audit found that all the 34 non-functional projects were lying defunct for a period ranging from two months to two years and neither the MPA nor the VDCs had taken steps for repair and maintenance of these projects. During interaction with the villagers, it was noticed that the villagers had been collecting water from *chuans*, streams, wells *etc.*, for drinking purposes, due to non-functioning of the projects, which was unhygienic with possible risk of water borne diseases. It was also noticed that the structures of two water supply projects (Namagam hamlet/Nagira village and Balibahal village, under PBDA, Jamardihi) had been dismantled by miscreants, and neither the villagers nor the MPA staff were aware of this act.

Out of 35 functional projects, Audit found that four drinking water projects reported as functional by the three MPAs (LDA Morada-1, HKMDA Jashipur-2 and LSDA Puttasing-1), were actually non-functional, due to stolen solar

panels, non-working of the control box *etc.* Thus, the actual number of projects remaining defunct, as reported by the MPAs was doubtful.

Instances of three PVTG villages/ hamlets suffering from drinking water scarcity, due to non-maintenance of water supply projects, as noticed during JPI, are cited below.

Instances of three villages/ hamlets collecting drinking water from unhygienic sources

The solar-based water supply project in Budhabhuin village, under PBDA Rugudakudar, had been lying defunct since two months (from September 2024), with villagers reporting intermittent disruptions over the last two years. Another water supply project in the village was also found non-functional. With no alternative drinking water sources available, 30 households with 101 PVTG people in the village had to depend on nearby irrigation canal/ channel, for drinking and household use purposes, which was neither safe nor hygienic, posing significant health risks. Similarly, the only drinking water source of tube well at Dutipadar village under KKDA, Belghar was not functioning, as of January 2025. Consequently, 45 households in the village were collecting water from one unhygienic source (stream) for drinking water purposes.

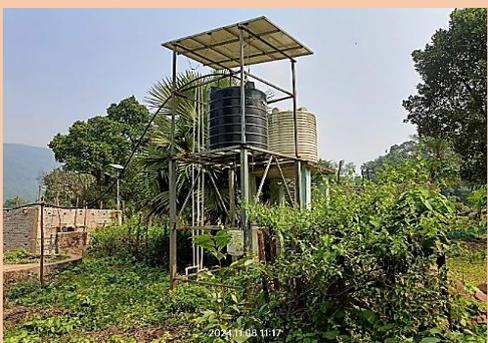
At Nagira Padasahi, a PVTG hamlet under PBDA, Jamardihi with 15 households had no access to drinking water system. While a piped water supply system existed in another part of the village, it had not been extended to their area. As a result, the residents had to collect water from irrigation canal/ pools/puddles, under unhygienic conditions, as can be seen from *Pictures 1.23 to 1.26*.



Picture 1.23: Villagers of Budhabhuin village collecting drinking water from irrigation channel (8 November 2024)



Picture 1.24: The villagers of Dutipada under KKDA, Belghar collecting drinking water from a stream (3 November 2024)



Picture 1.25: Defunct water supply project at Budhabhuin village (8 November 2024)



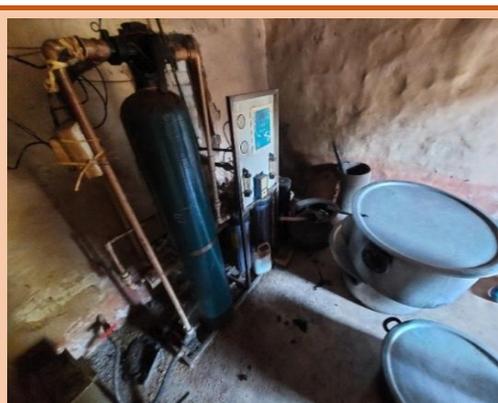
Picture 1.26: Collection of drinking water from chuan at Nagira village (26 November 2024)

While admitting that collection of user fees from the PVTGs for repair and maintenance was difficult, the Department stated (September 2025) that the MPAs had been communicating with the concerned BDOs and Sarpanchs regularly for restoration and alternative arrangement of drinking water.

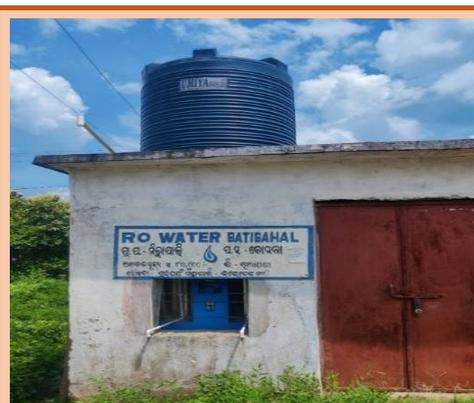
a) Working of Reverse Osmosis (RO) plants

According to the AWPBs, the PMU had provisioned for installation of 43 RO plants in 20 PVTG villages under 17 MPAs during 2019-22, at an estimated cost of ₹1.88 crore. Out of the 17 MPAs, only 11⁵⁴ MPAs, provided information regarding installation of RO plants, to Audit. In these 11 MPAs, against the 30 plants planned, 20 RO plants had been installed at a cost of ₹77.36 lakh.

During JPI of five⁵⁵ out of these 20 RO plants, installed under five MPAs, Audit noticed that all the plants were not functioning. The RO plant under DKDA, Parsali became defunct (February 2023), after six months of installation (August 2022), whereas the RO plant under LSDA, Puttasingh was defunct from June 2021, after three months of installation (March 2021). The dates from which the RO plants in other three places became defunct, were not on record. **Pictures 1.27** and **1.28** show the condition of defunct RO plants at Colony Sahi under JDA, Gonasika and at Batibahal, under CBDA, Sunabeda, respectively.



Picture 1.27: Defunct RO plant in Colony Sahi under JDA, Gonasika (12 December 2024)



Picture 1.28: Defunct RO plant at Batibahal, under CBDA, Sunabeda (12 December 2024)

Non-repair/ restoration of RO plants for such long periods, led to non-fulfilment of the objective of supplying quality water to the PVTG population and rendered the expenditure wasteful.

The Department stated (September 2025) that provisions had been made for repair and maintenance of the drinking water projects including RO plants during 2023-24, due to which several projects had been repaired and restored. The reply is not tenable as all the five RO plants jointly inspected by Audit and the representatives of MPAs were found non-operational.

⁵⁴ (i) KKDA, Lanjigarh; (ii) CBDA, Sunabeda; (iii) DKDA, Chatikona; (iv) LSDA, Puttasing; (v) KKDA, Belghar, (vi) DKDA, Parsali, (vii) LDA, Morada, (viii) HKMDA, Jashipur, (ix) PBDA, Rugudakudar, (x) PBDA, Jamardihi, (xi) JDA, Gonasika

⁵⁵ Alangda under LSDA, Puttasing; (ii) Sanadenginali under DKDA, Parsali; (iii) Batibahal under CBDA, Sunabeda; (iv) Colony Sahi under JDA, Gonasika; (v) Purunasahi under JDA, Gonasika

b) Lack of co-ordination for construction of drinking water projects

- Six solar based drinking water projects were found at Sialinai village under HKMDA, Jashipur. Of these, three projects had been established by PR&DW Department, two by the MPA and one by other agency. Two drinking water projects constructed by the MPA were defunct, due to theft and damage of solar panels, as noticed during JPI (September 2024), as can be seen in **Picture 1.29** and **1.30**.



Picture 1.29: Defunct drinking water project of MPA, Sialinai village (20 September 2024)



Picture 1.30: Two drinking water projects by two departments at Sialinai village (20 September 2024)

- Two solar based drinking water systems were found established at the Jamardihi Paudi village under PBDA Jamardihi. One was established by the MPA, which was functional and the other by the PR&DW Department, which was non-functional, as of September 2024, as can be seen in **Picture 1.31** and **1.32**.

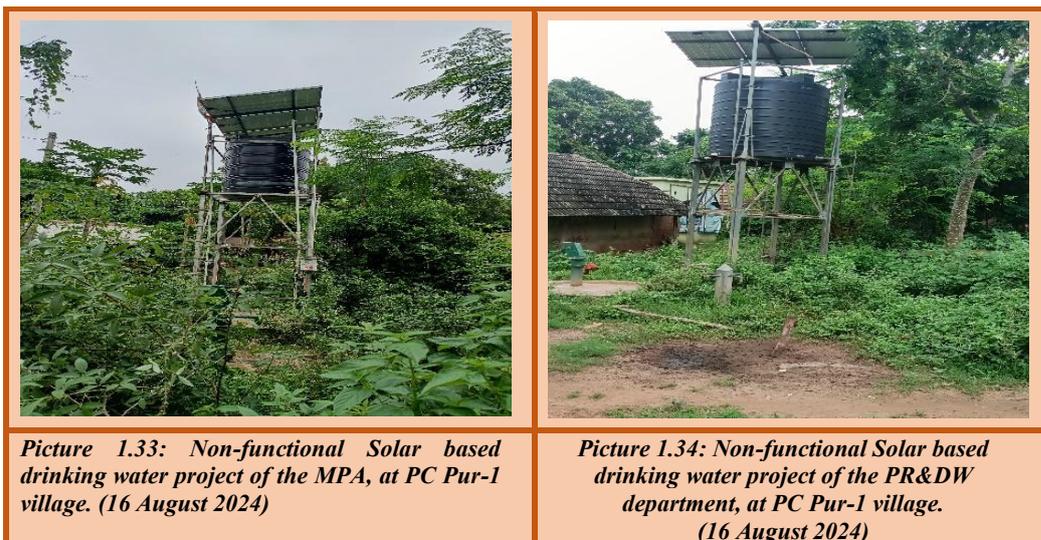


Picture 1.31: Non-functional Solar drinking water project by PR&DW department at Jamardihi Paudi village (27 September 2024)



Picture 1.32: Functional Solar DW project of MPA at Jamardihi Paudi village (27 September 2024)

- Two solar based drinking water projects were established at PC Pur-1 village under LDA Morada. One was established by the MPA and the other by the PR&DW Department, both of which were non-functional as of August 2024, as can be seen in **Picture 1.33** and **1.34**.



Picture 1.33: Non-functional Solar based drinking water project of the MPA, at PC Pur-1 village. (16 August 2024)

Picture 1.34: Non-functional Solar based drinking water project of the PR&DW department, at PC Pur-1 village. (16 August 2024)

Further, no effective arrangements were made for repair and maintenance of these drinking water projects, for enabling the PVTG households to avail uninterrupted supply of clean drinking water, as 49 per cent (34 out of 69) of the drinking water projects were found defunct during JPI.

The Department stated (September 2025) that there was no lack of coordination, and joint exercise surveys were undertaken annually by the MPA, FNGO and PR&DW Department to plan and avoid duplication.

The reply is not tenable as multiple drinking water projects had been established by both the MPA and PR&DW Department in the same village, as discussed above.

Recommendation 1.6:

The State Government may take early measures for providing safe drinking water to all the PVTG households of the identified villages, and consider providing operation and maintenance cost of drinking water projects from its own source, instead of collecting user fees from the PVTG households.

1.10.2 Unfruitful expenditure in the establishment of cold storage units

To provide cold storage facility to farmers for safe storage of fruits, vegetables and flowers, the PMU decided (2021-22) to establish solar based cold storage units in 14 MPA areas in convergence with the National Horticulture Mission (NHM), implemented in the State by the Agriculture and Farmers Empowerment (A&FE) Department. Each cold storage unit was to be established at a cost of ₹16.50 lakh, shared by the PMU (₹6 lakh) and A&FE Department (₹10.50 lakh).

The status of establishment and functioning of the 14 planned cold storage units is shown in **Table 1.9**.

Table 1.9: Status of solar based cold storage systems in MPAs (₹ in lakh)

Sl. No.	MPAs	Sanctioned and released amount	Expenditure	Status
1	LDA, Morada	16.50	-	Not established due to land dispute.
2	HKMDA, Jashipur	16.50	-	Not established. The MPA had requested (December

Sl. No.	MPAs	Sanctioned and released amount	Expenditure	Status
				2023) the Odisha Consumers Co-operative Federation to furnish the rates for construction of the cold storage unit. No further correspondence was made.
3	BDA, Mudulipada	16.50	14.16	Lying incomplete. Works like fencing, inside flooring <i>etc.</i> , were not executed.
4	DKDA, Parsali	16.50	15.30	Not properly functioning, as required temperature was not maintained.
5	LSDA, Puttasing	16.50	16.50	
6	PBDA, Jamardihi	16.50	16.50	Not functioning properly, as two of the three cooling fans were not working.
7	JDA, Gonasika	16.50	15.00	
8	KKDA, Lanjigarh	16.50	16.50	Cold storages were in functional condition. However, during JPI, no produce was found stored.
9	DKDA, Chatikona	16.50	16.50	
10	LSDA, Serango	16.50	16.00	
11	PBDA, Rugudakudara	16.50	15.30	
12	SDA, Chandragiri	16.50	16.00	
13	TDA, Ganjam	16.50	16.50	
14	PBDA, Khuntagaon	16.50	16.50	
	Total	231.00	190.76	

(Source: Records of MPAs and Joint Physical Inspection reports)

- Few instances are shown in **Pictures 1.35** and **1.36**.



Picture 1.35: Incomplete cold storage system under BDA, Mudulipada (12 December 2024)

Picture 1.36: Solar based cold storage system under MPA, Rugudakudara, lying idle (8 November 2024)

Audit observed that:

- In case of non-establishment of two cold storage units at Morada and Jashipur, even after three years of sanction (2021-22), the Special Officers of the MPAs and the PMU had not resolved the issues of land dispute and mode of construction. The unutilised funds of ₹33 lakh were lying with the MPAs, as of August 2024.
- As required under the guidelines for management of solar cold room, the custodian SHG should manage and operate the cold room with proper care and should undergo training. However, documents like handing over of the assets to SHGs and trainings imparted to the SHG members for running the cold storages, *etc.*, were not on record. No log books were maintained by the SHGs/ user groups to record the running details of the cold storages.

Consequently, a sum of ₹ 1.91 crore incurred for establishment of 12 cold storage units became unfruitful. Reasons for non-functioning or idling of cold storages were not on record. The objective of providing cold storage facility to the PVTG farmers, was also not achieved.

While admitting non-establishment of cold storage units at Morada and Jashipur due to land issues, the Department stated (September 2025) that under-utilisation of cold storage units was experienced during the lean seasons due to non-availability of agricultural produce. The fact, however, remained that the cold storage units were not used by the tribal community, as no agricultural produce was found stored in any of these units, during JPI.

1.10.3 Establishment of processing units

To ensure income security, reduce labour-intensive efforts and provide fair market access for PVTGs, processing units like puffed rice making unit, oil extraction unit, paper plates/ press plate making unit, rice hauler/ multi milling unit *etc.*, were set up in MPA areas. The MPAs and FNGOs were to facilitate selection of SHGs/ User Groups, with the approval of VDC/VDA for supply of processing units. A five-year tripartite arrangement was to be worked out amongst the MPA, VDC and SHG/Producer Group (PG)/User Group (UG), for managing the processing units, defining roles and responsibilities of each party. The UGs were to ensure maintenance and smooth operation of the units.

Audit noticed that as many as 229 processing units were set up under 17 MPAs at a cost of ₹48.29 crore, during 2019-24. Out of these, 105 (46 *per cent*) units were reported as non-functional by the MPAs. During JPI (August-December 2024) of 50 processing units, 48 (96 *per cent*) were found defunct, mainly due to lack of power supply. Also, seven units reported by four⁵⁶ MPAs as functional, were found defunct.

In this regard, Audit observed the following:

- Tripartite agreements among the MPA, VDC and UGs for setting up and managing processing units were not found on record in five⁵⁷ MPAs. In the absence of this, there was no clear definition of roles and responsibilities, leading to confusion, lack of accountability and potential mismanagement of resources. Further, without a legally binding agreement, it was challenging to ensure the sustainability of processing units, potentially leading to their failure or underutilisation.
- After providing assistance to the SHGs/ user groups, monitoring (if any) by MPA with respect to the progress/ working of the processing units carried out, was not on record.
- The equipment/ machineries for the processing units were procured by the concerned VDCs without following the prescribed guidelines. Actual requirement and basic infrastructure arrangements were not analysed before establishing the processing units, leading to failure of the units. A few such instances are discussed below:

⁵⁶ LDA, Morada (1); PBDA, Rugudakudar (2); PBDA, Jamardihi (2); JDA, Ganasika (2)

⁵⁷ (i) LDA, Morada; (ii) JDA, Gonasika; (iii) KKDA, Belghar; (iv) DKDA, Parsali; (v) HKMDA, Jashipur

Instances of defunct processing units

Oil extraction unit (cost: ₹2.25 lakh) established (March 2020) at Kuliposh, under PBDA, Khuntagaon was to be managed by the Karam SHG. This unit had been lying non-operational since the date of installation, due to lack of three phase electricity connection. Neither the MPA/ FNGO nor the SHG took steps for provisioning of the electricity supply. The processing unit was also found in damaged condition. This shows that capability of the SHG was not assessed before installation, which led to failure of the programme and wastage of government money.



Picture 1.37: Oil Extraction unit at Kuliposh (14 August 2024)



Picture 1.38: Dal processing unit, Kopand (21 September 2024)

The dal processing unit established (2021-22) at Kopand under HKMDA, Jashipur with an expenditure of ₹ three lakh was found non-operational for last eight months, as of September 2024. Maa Mangala GPLF was running the unit with domestic electricity connection. On verification, the electricity distribution company imposed a fine of ₹25,000 on the user agency, as the group had no legal electricity connection to run the unit. The MPA/ VDC and the FNGO did not look into this aspect before establishing the unit. Neither the user agency nor the MPA/ FNGOs had taken steps to resolve the issue and ensure restoration of the processing unit, resulting in idling of the asset.

The Oil extraction unit (cost: ₹1.5 lakh) established at Deogada village under KKDA, Belghar was found defunct since March 2020. The Pitaki SHG under the MPA was managing the unit. Though, the unit was non-operational since five years, no steps had been taken for restoration of the unit. This also indicated poor capability of the SHG, selected for running the unit and improper assessment by the MPA/VDC/ FNGO regarding viability of the unit in the locality.



Picture 1.39: Oil extraction unit at Deogada (26 December 2024)

(Source: Joint Physical Inspections at MPAs)

Thus, implementation of the programme suffered from incorrect assessment in regard to capabilities of user groups, actual necessity of the units in the locality and inadequate monitoring by the MPA/ FNGO/ VDCs to track the progress of implementation. As a result, the objective of providing additional income to the PVTG members, remained largely unachieved, besides rendering the expenditure unproductive.

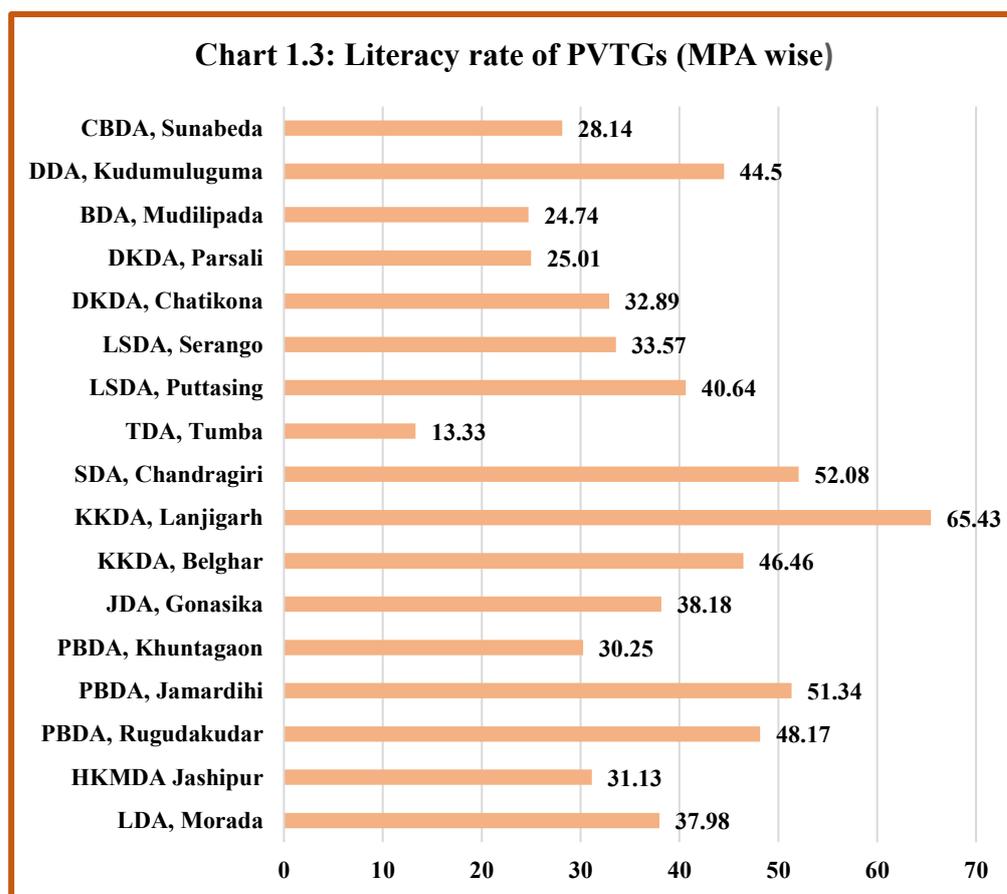
While attributing non-functioning of processing units to COVID 19 pandemic, remote areas, frequent disruption in power supply *etc.*, the Department stated (September 2025) that necessary steps had been taken to restore functionality of defunct units. The reply is not tenable, as more than 90 *per cent* processing units were found defunct during JPI.

1.10.4 Education and literacy

Aiming to address the educational needs through residential facilities, specialised curriculum and culturally appropriate teaching methods, OPELIP envisaged setting up of education complexes for the children belonging to PVTGs. Although the responsibility of education of tribal children (including PVTG) lay with the District Welfare Officers, the MPAs at their level also constructed educational complexes⁵⁸ for the PVTG children and handed over the same to the DWOs for management.

a) *Literacy status of PVTGs*

The literacy rate of the PVTGs residing in 17 MPAs in the year 2015, is shown in **Chart 1.3**. No survey in this regard was conducted thereafter.



(Source: As per the publication on PVTG - 2020 by the SCSTRTI, Odisha)

During 2015, the literacy rate among the PVTGs was below 30 per cent in four MPA areas (CBDA, Sunabeda; BDA, Mudulipada; TDA Tumba and DKDA, Parsali), compared to other MPAs. In one MPA area *i.e.* TDA, Tumba, the female literacy rate was less than 10 per cent, which needed attention.

⁵⁸ Education complex involves building facilities for class rooms, laboratories, libraries, hostels, *etc.*

b) Educational Complexes under DDA, Kudumuluguma and LSDA, Serango

As per information furnished by the MPAs, there were 21 educational complexes under 13 MPAs⁵⁹. These educational complexes were being managed by the concerned District Welfare Officers (DWOs). Audit, however, observed that out of the 21 educational complexes, two complexes constructed by two MPAs (DDA, Kudumuluguma and LSDA, Serango) had not been handed over to the concerned DWOs and were lying idle, as discussed below:

- Out of ₹1.66 crore sanctioned (2012-18) by SSD Department, for establishment of the Boys' Educational Complex at Muduliguda, ₹1.60 crore had been spent for execution of different works. The Special Officer of the MPA requested the DWO, Malkangiri to take over the complex only in August 2024, though the work was stated to be completed in October 2016. Reasons for not handing over the complex, immediately after completion were not on record. The DWO, however, had not taken over the infrastructure for running the educational complex, which was lying idle (January 2025).

Audit also observed that an additional amount of ₹82.50 lakh was required for executing works like water supply, internal electrification, furniture, hostel building etc., including ₹11.50 lakh needed for urgent repairs, as per estimates made by the Special Officer of the MPA.

During JPI (January 2025) of the site, it was found that fans had been stolen and doors/ windows/ plaster work were found in damaged condition due to idling of the complex for years together. The buildings were also found to be in poor condition, as shown in **Pictures 1.40** and **1.41**.



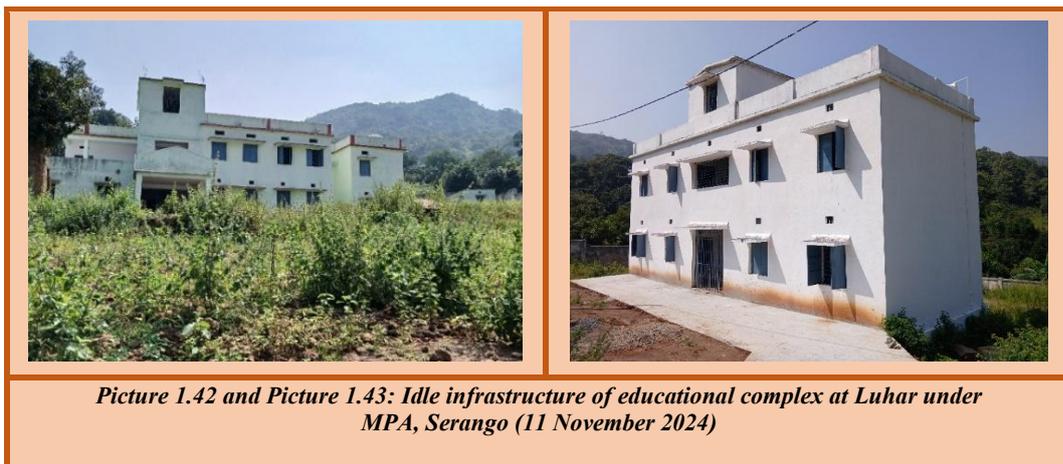
Picture 1.40: Idle Boys Educational complex at Muduliguda (04 January 2025)



Picture 1.41: Additional Classrooms in dilapidated condition (04 January 2025)

- The Educational Complex at Luhar under LSDA Serango was constructed by the MPA after incurring an expenditure of ₹1.58 crore. Construction work was completed in February 2024 but neither electricity connection was made available to the educational complex, as of November 2024 nor was the complex handed over to the concerned DWO. During JPI (November 2024), the buildings were found lying idle, as can be seen from **Pictures 1.42** and **1.43**.

⁵⁹ (i) LDA, Morada, (ii) HKMDA, Jashipur, (iii) LSDA, Puttasing, (iv) PBDA, Rugudakudar, (v) JDA, Gonasika, (vi) DDA, Kudumuluguma, (vii) BDA, Mudulipada, (viii) LSDA, Serango, (ix) PBDA, Khuntagaon, (x) SDA, Chandragiri, (xi) KKDA, Belghar, (xii) DKDA, Parsali, (xiii) DKDA, Chatikona



Non-functioning of the educational complexes, even after one to nine years of completion, shows indifferent attitude of the MPA and other concerned authorities, due to which the PVTG children were deprived of getting quality education, besides rendering the expenditure of ₹3.18 crore unproductive, as of January 2025.

The Department stated (September 2025) that steps had been taken to complete the educational complex at Muduliguda, and the educational complex at Luhar under MPA, Serango had been made functional (July 2025) by shifting the PVTG boys' Ashram School with 42 boarders.

1.11 Programme Management

The overall responsibility for implementation of OPELIP rested with the Programme Management Unit (PMU), set up at the State level under SSD Department. The PMU was responsible for overall programme planning, management, implementation and monitoring of the activities executed under OPELIP. The programme was to be implemented through the MPAs at the field level. The MPAs were to be strengthened with supporting staffs, and baseline surveys, programme evaluation, *etc.*, were to be conducted for effective programme management.

Audit, however, observed the following:

1.11.1 Strengthening of Micro Project Agencies

As per the OPELIP guidelines/ agreement, each MPA was to be headed by the Special Officer, with a minimum period of three continuous years' service. The operation of MPAs was to be substantially strengthened by providing human resources and office facilities. However, there were insufficiencies in provisioning human resources at MPA level, as discussed in the following paragraphs.

1.11.1.1 Human Resource Management in MPAs

MPAs implement all PVTG specific schemes and programmes in MPA areas. The Special Officer (SO) of the MPA was overall in-charge of the management of the programmes. Audit noticed that the sanctioned human resources were not available in the MPAs, as shown in **Table 1.10**.

Table 1.10: Sanctioned strength vis-à-vis persons-in-position in 17 MPAs during 2019-24

Name of the Post	Sanctioned Strength	Person-in-position	Vacancy
Special Officer	17	11	6
ADWO	17	12	5
Junior Engineer	17	06	11
JRA/SRA	15	10	5
DEO/Office Assistant	18	12	6
Peon	21	10	11

(Source: Data obtained from the MPAs)

There was shortage of human resources in all cadres as compared to the sanctioned strength, which had a negative impact on execution of programmes. As on 31 March 2024, regular SOs were not available in six⁶⁰ MPAs. In their absence, ADWO/ Sub-Collector/ Block Development Officer/PA, ITDA were acting as in-charge SOs. In most of the cases, the SOs/ in-charge SOs in the MPAs stayed for shorter periods, even though they were to serve for a minimum period of three years' continuous service in the MPA.

Similarly, human resources had not been provisioned for the three new MPAs, created in June 2020. Only one regular Special Officer, in BJDA, Sukinda had been posted from May 2023 and there was no supporting staff. As the MPA had not been made functional, the services of the SO were not utilised and the payment of ₹18.41 lakh towards his salary for the period from May 2023 to October 2024, proved to be futile expenditure.

Thus, SSD department had failed to make available the required manpower in MPAs for successful implementation of programmes/ interventions, for improving the livelihood of the PVTG communities.

The Department stated (September 2025) that for strengthening MPAs, two additional posts (Additional District Welfare Officer and Welfare Extension Officer) had been created, and steps would be taken to fill up these posts in all MPAs.

1.11.2 Monitoring and Evaluation

On scrutiny of records and data furnished to Audit, it was observed that monitoring of the programme by the SOs of the MPA and different committees, was not adequate, as the MPAs had failed to execute the planned objectives, provide basic facilities to the PVTG families and implement different interventions effectively, as discussed in preceding paragraphs. The committees formed at the State and district/ MPA level for planning, reviewing and monitoring the implementation progress were also not effective.

1.11.2.1 Improper functioning of the State level Programme Steering Committee and Programme Management Committee

A State level Programme Steering Committee (PSC) at the Government level under the chairmanship of the Chief Secretary of the State with representations from key line departments was established (February 2016) for providing overall guidance and coordination for implementation of OPELIP. The Principal/ Commissioner cum Secretary of SSD Department was the member secretary of the PSC.

⁶⁰ (i) PBDA, Khuntagaon; (ii) CBDA, Sunabeda; (iii) LDA, Morada; (iv) HKMDA, Jashipur; (v) PBDA, Jamardihi; (vi) JDA, Gonasika

A Programme Management Committee (PMC) with the Principal/Commissioner-cum-Secretary, SSD Department as the Chairperson and the Programme Director of OPELIP as the Member Secretary, was also set up in February 2016 at the Departmental level to take management decisions for an effective programme implementation.

Audit noticed that:

- The State level PSC, constituted for providing overall guidance and coordination for implementing the programme was to meet at least once every year. The Secretary of the SSD Department, being the member secretary, was to convene the meetings. However, only two meetings, one each in 2019-20 and 2022-23 were held and no meetings had been held during the years 2020-21, 2021-22 and 2023-24.
- The PMC had met only twice⁶¹ during 2019-24, though it was to meet every quarter. No meetings were held during the last three years, *i.e.* 2021-24.

Shortfall in State level PSC and PMC meetings had adverse impact on project governance and programme implementation, like poor coordination between stakeholders, lesser utilisation of programme funds and sub-optimal achievement of project objectives. Consequently, the objectives targeted in the AWPBs for PVTGs could not be achieved.

The Department stated (September 2025) that meetings were carried out as per the requirement of the programme and availability of the authorities.

1.11.2.2 Working of Programme Implementation Committees

The Programme Implementation Committee (PIC) at the MPA level, headed by District Collector, had been set up for approving the AWPBs and reviewing the implementation progress of the programmes. However, the PICs did not meet regularly. Against the requirement of 340 meetings in 17 MPAs, during 2019-24, only 18 meetings had been conducted in ten MPAs. In other seven MPAs⁶², no PIC meetings had been held during 2019-24. As a consequence, programme implementation was not monitored, leading to sub-optimal execution of planned objectives.

The Department stated (September 2025) that PIC meetings were held depending upon the availability of the Chairperson. However, all the issues and challenges had been brought to the notice of the District Collector and line departments for immediate action.

1.11.3 Data mismatch in PVTG population

Audit observed that there was no data consistency in regard to the number of PVTG villages/ households and the population maintained at MPA and PMU level. As PVTG specific schemes were being implemented only in old PVTG villages, under 17 MPAs, Audit made an analysis of both the sets of data available with the MPAs and the PMU. While the PMU had planned to benefit 1,34,311 lakh PVTG population in 27,308 households of 541 villages/

⁶¹ 2019-20: one meeting; 2020-21: one meeting

⁶² (i) LDA Morada; (ii) PBDA Khuntagaon; (iii) TDA, Tumba; (iv) JDA, Gonasika; (v) DDA, Kudumuluguma; (vi) SDA, Chandragiri; (vii) KKDA, Belghar

hamlets, during 2019-24, data with the MPAs showed 1,11,796 populations in 26,457 households of 603 villages/ hamlets, as of March 2024. Thus, there was data mismatch in respect of number of villages/ hamlets, households and PVTG population, across the MPAs (*Appendix 1.2*). Data mismatch can lead to significant negative impacts, inefficient and incorrect resource allocation, missed opportunities, *etc.* which ultimately decreases the ability to achieve desired outcomes.

The Department stated (September 2025) that OPELIP was implemented based on GP saturation approach, which included both PVTG and non-PVTG villages in the GP and the difference between 541 and 603 villages was due to presence of hamlets in non-PVTG villages.

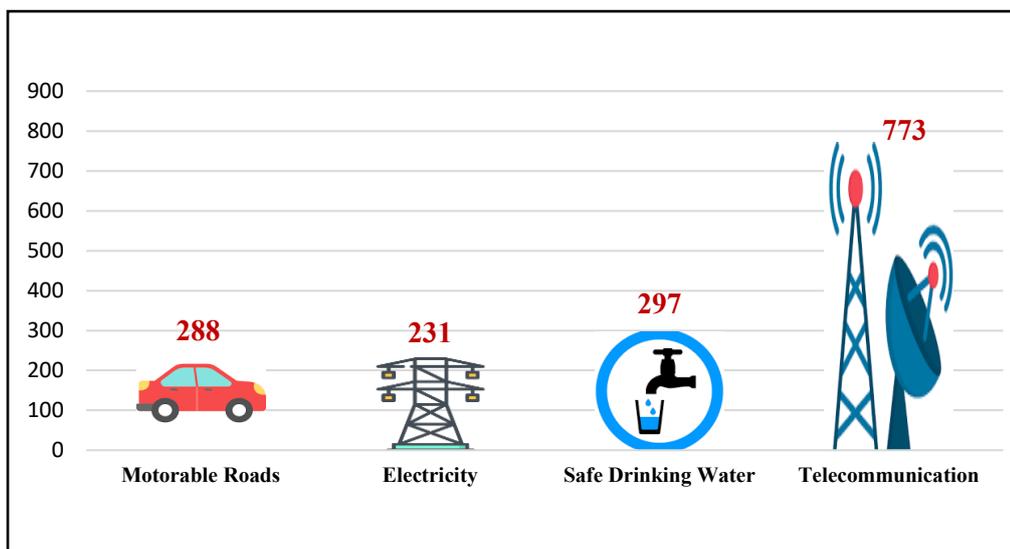
1.11.4 Programme evaluation

An Endline survey was conducted by IFAD/OPELIP during 2024-25 to evaluate project implementation performance and assess achievements by measuring outcome indicators, as outlined in the project logical framework (Logframe).

As per the Endline survey report, OPELIP project had improved the living conditions of the PVTG communities and also laid the groundwork for sustainable and inclusive development. The programme had addressed social and economic vulnerabilities, in terms of access to facilities, to meet basic needs as well as improved quality of living. Livelihood enhancement activities had raised household incomes up to 2.5 times, which had improved the overall quality of life for PVTG families, contributing to better food and nutrition security, education, and health outcomes.

Audit, however, observed that the PVTG villages and households had not been provided with basic amenities, despite functioning of MPAs for development of PVTG population. As per data furnished by the PMU, the PVTG villages/ hamlets without having basic facilities like motorable road connectivity, electricity supply, safe drinking water source, telecommunication, *etc.* as of March 2024 are detailed in *Appendix 1.3* and shown in **Chart 1.4**.

Chart 1.4: Number of PVTG villages without accessibility to basic facilities



(Source: Data provided by the PMU)

Audit observed that most of the PVTG villages had no primary healthcare institutes and skill-cum-culture centres for the tribal community. Similarly, schools were not available in 40 per cent villages. During JPI, it was noticed that primary schools were not available in seven villages, whereas health facilities were not available in 19 villages. One instance of a village Kanibaru, which lacked accessibility to basic facilities is discussed below:

Village without accessibility to basic facilities

Kanibaru is one of the PVTG villages under KKDA, Belghar. The village had 43 households with 246 PVTG population, as of March 2024. Despite being situated under the MPA, the village lacked several basic amenities. The nearest all-weather road (at Bandapipili), was eight kms away from the village. One had to cross streams/ rivers several times to reach the village. The people of the village depended on open well/ *chuan*, stream/ river for drinking water. The only tube well available in the village had been lying defunct since last five years. There was no conventional electricity supply to the village. The solar grid installed (2023-24) in the village by the MPA, had many points that were not working.

The children of the village were deprived of education, as the nearest Primary school was around three kms away. Due to non-availability of AWC, the villagers had to come to Bandapipili for collecting Take Home Ration under Integrated Child Development Services Scheme. The nearest health institution was the Primary Health Centre at Durgapanga,



Picture 1.44: Kaniburu village

about 17 kms away from the village. The people of the village consumed mango kernel, during the lean period when there was scarcity of food.

Despite such tough situations, the MPA had undertaken only a few activities in the village, incurring ₹12.67 lakh, out of ₹14.19 lakh released during 2019-24. Under infrastructure development, only one solar grid was installed (₹4.34 lakh) during 2023-24. No drinking water and irrigation projects had been taken up. The MPA had incurred only ₹8.33 lakh for livelihood activities during 2019-24. Thus, the living standard of the PVTG population in the village had not improved, even after four decades of creation (1978-79) of the MPA.

Thus, efforts to mitigate the longstanding challenges faced by the PVTGs and foster sustainable economic and social empowerment within these communities, lacked long-term sustainability and inclusive development of the vulnerable tribal population.

The Department stated (September 2025) that facilities like road, electricity, telecommunication *etc.*, were not a part of OPELIP and were the functions of the line departments. However, PM JANMAN scheme was under implementation from 2023-24 for saturation of basic facilities in PVTG areas. The fact, however, remained that the MPAs had not liaised with the line departments for ensuring basic facilities in all PVTG villages and households.

Recommendation 1.7:

A robust evaluation mechanism should be in place, focusing on regular monitoring, data collection and feedback from stakeholders to identify and address the gaps with regard to programme objectives and provision of basic facilities for PVTGs.

1.11.4.1 Sub-optimal performance in execution of approved activities

Annual Work Plan and Budget (AWPB) outlines the inputs and activities to be undertaken during the year. The progress of the AWPB is measured against indicators in the AWPB, like number of VDCs formed/supported, people trained, SHGs formed, irrigation projects constructed, drinking water projects installed, *etc.* The progress in execution of the programme activities was to be monitored through the output targets set in the AWPBs.

Audit observed that both physical and financial targets for the years 2019-24, fixed in the approved AWPBs for benefitting the PVTGs, had not been achieved fully. Against the plan to execute 4.74 lakh units of different activities with ₹509.24 crore, the MPAs could achieve 2.80 lakh units incurring ₹305.93 crore during 2019-24. The total achievement of the MPAs against the annual targets, both physical and financial, for the period from 2019-20 to 2023-24, is given in **Table 1.11**.

Table 1.11: Physical and financial targets and achievements during 2019-24

Year	Physical (in units)			Financial (₹ in crore)		
	Target	Achievement	Percentage	Target	Achievement	Percentage
2019-20	91,617	41,294	45.07	132.80	67.13	50.55
2020-21	69,665	51,516	73.95	102.64	76.41	74.44
2021-22	86,446	73,854	85.43	71.06	36.31	51.09
2022-23	1,47,249	86,412	58.68	131.42	88.42	67.29
2023-24	79,454	27,002	33.98	71.32	37.66	52.81
Total	4,74,431	2,80,078	59.03	509.24	305.93	60.08

(Source: Data obtained from the Programme Management Unit, OPELIP)

The overall performance of the MPAs stood at 59 per cent and 60 per cent of the physical and financial targets approved in the AWPBs, respectively. During 2019-20 and 2023-24, physical achievement remained below 50 per cent, whereas financial achievement was around 50 per cent, compared to the targets during 2019-20, 2021-22 and 2023-24. Thus, the MPAs and the PMU could not fully perform the projected activities for upliftment of the PVTGs.

Non-achievement of physical and financial targets set for improving the livelihood of the PVTG population indicates poor planning, weak community engagement, inadequate infrastructure and lack of effective monitoring.

The Department stated (September 2025) that AWPBs had been prepared and finalised with excess of the actual budget keeping in view the challenges, remoteness, difficult terrain, non-availability of materials *etc.*, in MPA areas to achieve the expected target, and low achievement did not indicate that actual target in the particular year had not been accomplished.

The fact, however, remained that AWPBs which were the indicators for measuring progress of the implementation of the programme, had been approved by the Government.

1.12 Other Points of interest

1.12.1 Suspected misappropriation/ doubtful expenditure of government money

On scrutiny of case records and joint physical inspection of work sites, Audit observed gross irregularities in execution of works under four MPAs (Tumba Serango, Rugudakudar and Jamardihi). Instances of payments without execution of works were also noticed in these MPAs, leading to suspected misappropriation/ doubtful expenditure of ₹ 20 lakh, as discussed in **Table 1.12**.

Table 1.12: Suspected misappropriation/ doubtful expenditure of government money

MPAs	Observation
TDA, Tumba	(i) One VDC, Maa Sita Thakurani, Haladibada, had expended ₹2.96 lakh during 2022-23 for construction of a community hall in Haladibada village. During joint physical inspection, no such building was found to be constructed in the village. During interaction with the villagers, it was confirmed that no community hall had been constructed during the period 2019-24. The photographs available in the case record files, in support of works, related to Burasahi Ragi Mill under Ankuli GP and not to the community hall. The villagers had also lodged complaints (September 2024) with the Special Officer of the MPA, regarding non-construction of the hall. As such, ₹2.96 lakh was suspectedly misappropriated by the VDC. The Department stated (September 2025) that construction of community hall was delayed due to local disputes and had been completed at a new site.
	(ii) Against the sanction of ₹9 lakh, ₹6.38 lakh was spent by Maa Ghatagon Tarini VDC for construction of fly ash brick factory at Lokasahi. The VDC constructed the work shed and brick unit incurring the above amount. The VDC transferred (June 2020) the balance of ₹2.62 lakh to Maa Limeswari SHG, Lokasahi for execution of other works like land levelling, purchase of raw material, electrification pole etc. During JPI (September 2024), it was found that the factory had no electricity supply and was lying idle, rendering the above expenditure of ₹2.62 lakh doubtful. The Department stated (September 2025) that the factory was operational for about a year and later became defunct due to internal dispute. However, no recorded evidence for running of the factory was made available to Audit.
LSDA, Serango	(i) The VDCs had constructed nine ⁶³ solar based irrigation projects after incurring an expenditure of ₹54 lakh, under the MPA, Serango. Audit, however, observed deficiencies like short spreading of HD pipe, non-installation of lightning arrestor, barbed wire fencing not being done, construction of less number of outlets, etc., for which ₹6.86 lakh had been paid to the VDCs. As such, utilisation of ₹6.86 lakh paid to the VDCs for these works, was doubtful. Further, no check measurement was done by the Junior Engineer of the MPA before payment. No Running Account (RA) bill had been prepared and payment was made directly to the vendor. These lapses also substantiate doubtful expenditure of ₹6.86 lakh for the above works. The Department stated that works had been executed as per requirement

⁶³ At Gangapur, Mursingh, Nuagaon, Jagannathpur, Landahati, Kanehipur, Kujasingh, Targi, Putur

MPAs	Observation
	<p>based on ground conditions. The reply is not tenable as actual quantity of works executed was less than the quantity for which payments had been made.</p> <p>(ii) The VDC/ FNGO had spent ₹4.10 lakh on establishment of solar-based irrigation project at Balmunda village under LSDA Serango. However, during JPI (November 2024), no such project was found to be constructed in the village. The villagers also confirmed that no such irrigation projects had been established in the village. The related case record for executing the work was not made available to Audit, indicating suspected misappropriation of ₹4.10 lakh.</p> <p>The Department stated that unspent amount of ₹1.90 lakh was refunded to MPA, and material procured for the project was lying with the VDC. This indicated that the work had actually not been executed, and during JPI materials stated to be procured were not found.</p>
PBDA, Rugudakudar	<p>Construction of diversion drain at Jalisuan was taken up departmentally by the MPA. Against the approved rate of ₹86.11 per square metre (sqm) for 'rigid smooth centering and shuttering for concrete work' the concerned Junior Engineer was paid at the rate of ₹536.80 per sqm. This resulted in excess payment of ₹0.91 lakh for 201.85 sqm centering work.</p> <p>Further, against approved quantity of 48.19 units (sqm/cum) of works (earth work, cement concrete works, centering work), the JE had claimed execution of 165.35 units. The executed quantity was 3.43 times of the approved quantity. Such wide variation in approved quantity and executed quantity raises the risk of doubtful execution of works involving expenditure of ₹0.85 lakh.</p> <p>The Department stated (September 2025) that the cost of centering work was ₹ 86.11 for foundation work and ₹536.80 for walls. The reply is not tenable as the estimate approved for the drain works was at ₹86.11 per square metre.</p>
PBDA, Jamardihi	<p>In four⁶⁴ works executed by the MPA, Jamardihi, the JE had been paid ₹21.23 lakh through RA bills, whereas actual expenditure was ₹19.54 lakh toward materials and labour. As such, there was excess payment of ₹1.69 lakh to the JE.</p> <p>The Department stated that payments had been made as per the final measurement and Government approved rates. The reply is not tenable, as the work had been executed departmentally, and payments were to be made as per the actual expenditure on labour and materials.</p>

(Source: Records of MPAs/ VDCs)

Thus, execution of works by the MPAs was not transparent and involved doubtful expenditure and excess payment to the concerned engineers.

1.13 Conclusion

While the establishment of Micro Project Agencies and the introduction of OPELIP contributed to improving the socio-economic conditions of a section of the PVTG population, the overall performance was sub-optimal.

Major issues such as under-utilisation of funds, inadequate planning, weak monitoring, exclusion of a large population segment and poor sustainability of

⁶⁴ (i) Extension of canal at Pattamund (CR No 963/2020-21 and 987/2020-21) (ii) Construction of community centre at Itte (CR No 387/2021-22); (iii) Water Harvesting structure at Nagira (CR No 250/2022-23 and 253/2022-23); (iv) Improvement of road from Sandhar Kuldihi Sahi to Salei

interventions, hindered the achievement of desired outcomes. Furthermore, failure to adapt schemes to local needs affected programme effectiveness.

Only 46 *per cent* of the PVTG population were covered under welfare schemes/ programmes and the Government could not include the entire PVTG population under welfare schemes/ programmes for their development.

A focused approach with corrective administrative action, better community involvement, dedicated monitoring and convergence with line departments is required to improve the living conditions and economic empowerment of all PVTGs in the State.

Chapter 2

Performance Audit

Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in the State

Panchayati Raj and Drinking Water Department

2. Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in the State

2.1 Introduction

The National Rural Employment Guarantee Act (NREGA) was enacted by the Government of India (GoI) in September 2005 with the aim of providing at least 100 days of guaranteed wage employment in a financial year to every rural Household (HH) whose adult members were willing to do unskilled manual work. The overarching objective of the Act was to ensure livelihood security for the economically weaker section of the rural population. The Act promotes creation of durable assets in rural areas through labour-intensive infrastructure projects like building of roads, water conservation and afforestation. The NREGA was later rechristened (October 2009) as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a Centrally Sponsored Scheme (CSS) implemented on a cost sharing basis between GoI and the State Governments. GoI provides the entire cost of wages for unskilled manual workers, and 75 per cent of the cost of material and wages for skilled and semi-skilled workers required for execution of the work. The State Government provides 25 per cent of the cost of material and wages for skilled and semi-skilled workers and also bears the total expenditure on unemployment allowance and compensation for delayed payment of wages to workers. GoI also provides up to six per cent of the total expenditure on MGNREGS in a financial year for administrative expenses to the State Government.

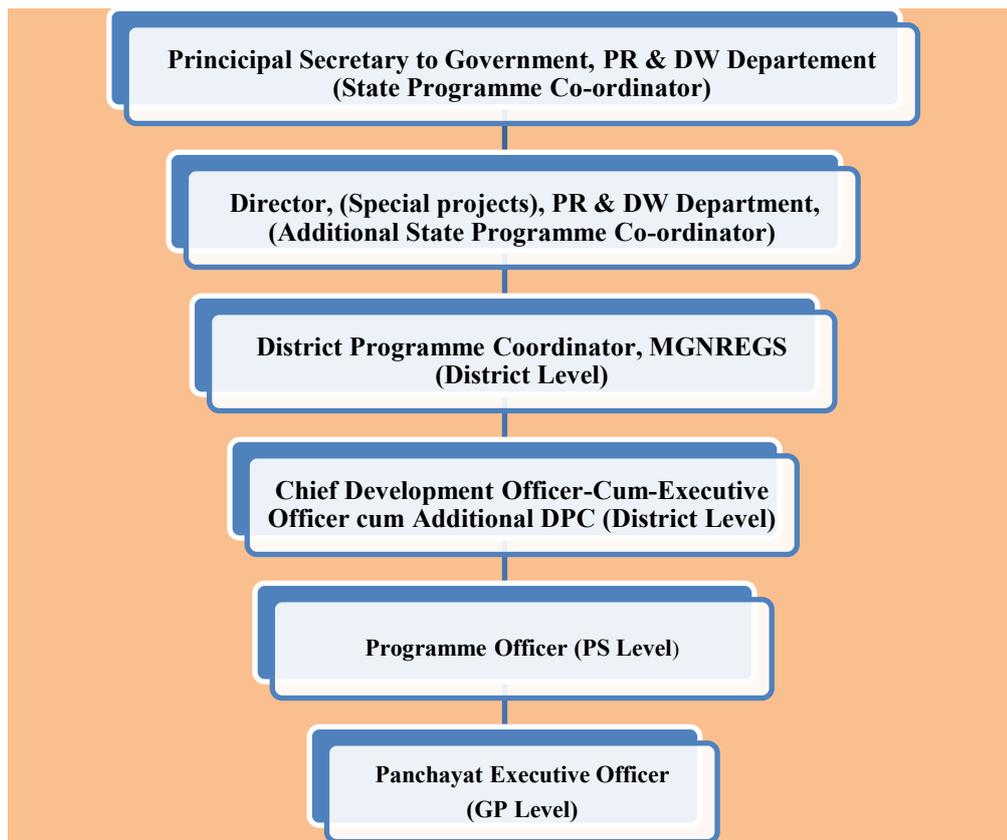
2.2 Organisational structure

At the State level, the Principal Secretary, Panchayati Raj and Drinking Water (PR&DW) Department, Government of Odisha (GoO) acts as the State Programme Coordinator (SPC) who is responsible for framing rules and provides overall guidance for planning and implementation of the Scheme. The Director, Special Projects, PR&DW Department acts as the Additional SPC, who is the Nodal Officer for the Scheme in the State.

At the district level, the Collector or District Magistrate acts as the District Programme Coordinator (DPC) and is responsible for overall co-ordination and implementation of the scheme. The DPC is assisted by the Chief Development Officer cum Executive Officer (CDO-cum-EO) of the Zilla Parishad (ZP).

At Block level, the Block Development Officer (BDO) acts as the Programme Officer (PO) for implementation of MGNREGS and is assisted by the Additional Programme Officer (APO) and Panchayat Executive Officers (PEOs) of the GPs, as shown in **Chart 2.1**.

Chart 2.1: Organisational structure for implementation of MGNREGS



(Source: Information furnished by PR&DW Department)

2.3 Audit Objectives

The objectives of the Performance Audit were to assess whether:

- Planning process and financial management practices were adequately geared towards achieving the goals of the Act, while adhering to relevant rules and regulations;
- Fair access to employment opportunities was achieved and employment was adequately generated, leading to social protection and livelihood security;
- Durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other programmes/ schemes;
- Appropriate and adequate monitoring, social audit and grievance redressal systems were in place and were functioning as envisaged, to achieve greater transparency and accountability.

2.4 Audit Criteria

The Performance of the MGNREGS was evaluated with reference to the following criteria:

- (i) Mahatma Gandhi National Rural Employment Guarantee Act, 2005

- (ii) Operational Guidelines, 2013 issued for MGNREGS by the Ministry of Rural Development (MoRD), GoI
- (iii) GoI instructions, Annual Master Circulars of MoRD on MGNREGS issued from time to time
- (iv) Orders and instructions issued by the State Government

2.5 Scope and methodology of Audit

The Performance Audit for the financial years (FYs) 2019-20 to 2023-24 was conducted between June and September 2024. Audit test-checked records of PR&DW Department, five out of 30 ZPs, 10 out of 314 PSs and 40 out of 6,794 GPs in five selected districts. These samples were selected on the basis of Stratified Random Sampling on expenditure basis, through IDEA software (*Appendix 2.1*). Joint Physical Inspection (JPI) of assets created under the scheme (seven assets in each GP) and verification of Job Cards along with interview of beneficiaries (10 beneficiaries in each selected GP) were conducted in the presence of representatives of the PSs and GPs.

An Entry Conference was held with the Principal Secretary, PR&DW Department, GoO on 25 June 2024 to discuss the objectives, criteria, scope and methodology of Audit. The Exit Conference was held with Commissioner cum Secretary, PR&DW Department on 05 May 2025. Replies of the Department, wherever received, have been incorporated appropriately in the Report.

2.6 Allocation, release and utilisation of funds

The funds received from GoI and the State Government are deposited in three accounts *viz.*, NeFMS⁶⁵ Account (100 *per cent* Central share for wages of unskilled workers), MGNREGS Administrative Account (Central share up to six *per cent* of the total expenditure for administrative expenditure) and the State Employment Guarantee Fund (SEGF) Account (both Central and State share for wages of skilled and semiskilled workers and material cost). From these accounts, funds are directly transferred to the accounts of beneficiaries and vendors on the basis of Fund Transfer Order (FTO) issued by the authorised officers of the implementing units, *i.e.*, BDOs of the PSs, PEOs of the GPs and officers of other line Departments like District Forest Officers, Assistant Soil Conservation Officers, Executive Engineers, *etc.*

During the FYs 2019-24, against total available funds of ₹26,388.73 crore, the State had utilised ₹26,373.85 crore, as detailed in **Table 2.1**.

⁶⁵ NeFMS stands for National electronic Fund Management System, implemented under MGNREGS to facilitate direct and faster wage payments to workers through electronic fund transfers to their bank or post office accounts.

Table 2.1: Funds released and expenditure incurred during FYs 2019-20 to 2023-24

(₹ in crore)

Year	Funds Received				Total	Expenditure (including adjustment of advance by State)
	Central Share	State Share	Other receipts ⁶⁶	Advance ⁶⁷ released by the State		
2019-20	2,432.87	155.70	198.92 ⁶⁸	500.00	3,287.49	3,355.29
2020-21	5,239.53	596.66	131.54	0.00	5,967.73	5,899.93
2021-22	5,718.63	232.34	36.56	366.09	6,353.62	6,193.34
2022-23	4,734.48	347.56	0.48	379.21	5,461.73	5,621.24
2023-24	5,019.07	266.09	33.00	0	5,318.16	5,304.05
Total	23,144.58	1,598.35	400.50	1,245.30	26,388.73	26,373.85

(Source: Information furnished by PR&DW Department)

Between April 2019 to March 2024, the State utilised 99.94 per cent of the available funds of ₹ 26,388.73 crore and created employment of 88.54 crore person days with wage payments of ₹18,483.65 crore. The State also created 24.03 lakh assets, which included assets meant for water harvesting, drought proofing, land development, rural connectivity, plantation *etc.*, under the Scheme.

Against the target⁶⁹ of wages of ₹ 21,380 for a minimum of 100 days of employment per HH, during the above period, the per annum average income of HHs in the State ranged between ₹7,256 (Jagatsinghpur district) with an average employment of 34 person days to ₹14,759 (Kandhamal district) with an average employment of 68 person days. This low achievement was mainly due to lack of interest of the wage seekers to avail employment under MGNREGS, due to payment of low wage rates, in comparison to the minimum wage rate⁷⁰ of the State, besides the delay in payment of wages.

Audit Findings

2.7 Effectiveness of Planning and Financial Management

As per paragraphs 1.4 (iii) and (x) of the Operational Guidelines, 2013, MGNREGS is a demand driven programme where provision of work is triggered by the demand for work by wage seekers. Further, registration of HHs and issue of Job Cards, receipt of application for works and provision for employment, plans and decisions regarding the nature and choice of works, site selection, *etc.* are to be made in the Gram Sabha of the GPs.

2.7.1 Registration of HHs by the GPs

As per Paragraphs 3.1.1, 3.1.2, 3.1.3, 3.1.5 of the Operational Guidelines, 2013, each GP should undertake a door-to-door survey each year to identify eligible

⁶⁶ Unspent funds refunded to the State Nodal Account (SNA) by the Implementing Agencies like PRIs, Executive Engineers, Assistant Social Conservation Officer, District Forest Officer *etc.*

⁶⁷ Due to delay in receipt of Central share, the State released advance amounts to SNA to avoid delay in payments. These advance funds were subsequently adjusted against the State share.

⁶⁸ Includes Closing Balance of SNA for the FY 2018-19 and amounts refunded by the Implementing Agencies.

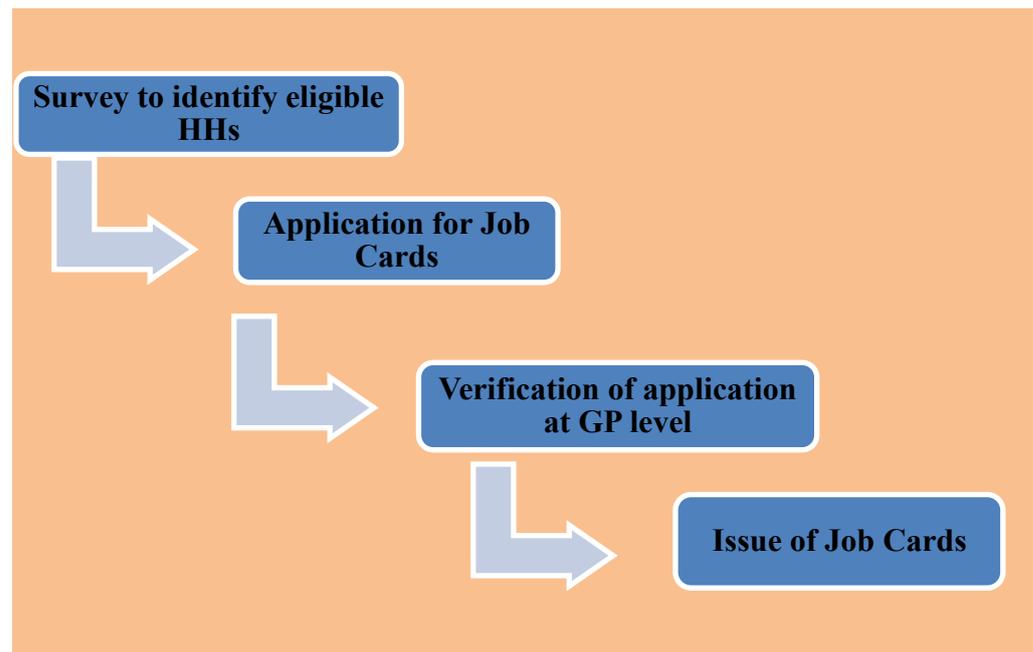
⁶⁹ Average wage rate during 2019-20 to 2023-24 *i.e.*, (₹188 + ₹207 + ₹ 215 + ₹ 222 + ₹ 237) / 5 x 100 days

⁷⁰ 2019-20: ₹ 298, 2020-21: ₹ 303, 2021-22: ₹ 315, 2022-23: ₹ 333 and 2023-24: ₹352

HHs willing to be registered under MGNREGA. Further, a local HH having adult members desirous of seeking unskilled employment under MGNREGS may apply for registration and names of the adult members who are willing to do unskilled work are to be included in the application. An individual may appear personally before the GP and make an oral request for registration and the GP officials would note down the particulars required for such registration. The GP would then verify the residential status and age of the members of the HH. If the HH is found eligible, the GP would issue Job Card within 15 days of receipt of application.

The process involved in issuing of Job Cards is given in **Chart 2.2**.

Chart 2.2: Process for Issue of Job Card



Source: MGNREGS Operational Guidelines, 2013

The records of selected ZPs, PSs and GPs were analysed by Audit and issues like non conduct of surveys to identify new and eligible beneficiaries/ delete ineligible beneficiaries, non-issue of Job Cards, lack of transparency in maintenance of Job Cards *etc.*, were noticed, as discussed in the succeeding paragraphs.

2.7.2 Non-conduct of survey to identify eligible HHs

Paragraph 3.1.1 of the Operational Guidelines, 2013 for MGNREGS provides that every year, a door-to-door survey would be conducted by each GP to identify eligible HHs who earlier did not seek registration under the Scheme; to include additional names in the existing Job Cards of HHs on account of one or more members having become adult(s); to delete names from Job Cards due to marriage, migration or death of members and to correct details of Job Card holders, which may have been entered wrongly in the database.

During the FYs 2019-24, no such surveys were conducted in the State to identify new, eligible HHs, to include/delete names of members in the Job Cards and to

correct discrepancies⁷¹, if any. This indicated that there was lack of initiative on the part of the State to expand the benefits of the Scheme by including new eligible beneficiaries and also to update the details of existing beneficiaries. In the absence of such surveys for updating Job Card related information, Audit noticed instances of payments in the names of dead beneficiaries and non-credit of wages to the bank account of beneficiaries due to incorrect data, as discussed in the subsequent paragraphs.

In reply, the Department stated (May 2025) that exercise for verification of Job Cards of each HH for addition of new members and correction of discrepancies were being carried out each year and the districts had been instructed to update Job Cards as part of good governance initiatives. The reply is not acceptable as Audit did not find any such evidence in any of the test-checked units about conduct of any survey to identify eligible HHs and verification of Job cards.

2.7.3 Non-issue of Job Cards

As per Paragraph 3.1.5 of the Operational Guidelines, 2013 for MGNREGS, eligible applicants were to be provided Job Cards by the GP within a fortnight of submission of their application.

In the five test-checked districts, Audit observed that during the FYs 2019-24, 64.26 lakh HHs had applied for Job Cards, out of which 63.44 lakh Job Cards were issued, leading to non-issue of 0.82 lakh Job Cards. No specific reasons for non-issue of Job Cards were available on record. Thus, 0.82 lakh HHs were deprived of employment opportunities under MGNREGS during 2019-24.

In reply, the Department stated (May 2025) that the concerned CDO-cum-EO of ZPs had been requested (April 2025) for necessary compliance.

2.7.4 Deficiencies in updation and maintenance of Job Card

As per Paragraph 3.1.4 of Operational Guidelines, 2013 for MGNREGS, Job Cards are the basic original records for provision of employment under the MGNREGS and should have photograph, date of engagement, Aadhaar number, mobile number and other details *i.e.*, sex, age, whether physically disabled *etc.* of the members of the HH. Further, Paragraph 3.1.5 provides that the GPs should undertake an annual updation exercise for addition and deletion of members on account of demise, marriage, change of residence, *etc.*

Audit observed that during the FYs 2019-24, no exercise was conducted in 32 out of 40 test-checked GPs to update Job Cards by addition of new eligible members and deletion of ineligible members of the HH due to marriage, death *etc.* Further, during verification of 441 Job Cards in 40 GPs, Audit noticed that the Job Cards were not maintained properly. Audit observed that 243 (55 *per cent*) Job cards were without photographs and no entries were found in 283 (64 *per cent*) Job Cards with regard to date of engagement of the worker and payment of wages.

⁷¹ Data of the beneficiaries like spelling of names, father's name, EPIC No. *etc.*

In the absence annual updation of Job Cards, instances of provision of excess days of employment to HHs through multiple Job Cards, employment to non-existent/ dead beneficiaries, *etc.*, were noticed, as elaborated in subsequent paragraphs.

In reply, the Department stated (May 2025) that the concerned CDO-cum-EO of ZPs had been requested (April 2025) for necessary compliance and accordingly necessary action as deemed fit would be taken against the erring officials.

2.7.5 Preparation of Labour Budget

Paragraph 6 of the Operational Guidelines, 2013 for MGNREGS provides that matching demand and supply of work would be achieved through preparation of a labour budget by the GP annually. Before the preparation of the labour budget, reassessment of the demand for work on the basis of household survey is to be done once in every five years to account for changes in the local pattern of livelihoods and opportunities for work in production activities, after which a Development Plan and a shelf of projects would be prepared by the GP. Based on the Development Plan and shelf of projects, the labour budget is to be prepared and approved by the Gram Sabha. At the PS level, the labour budgets of all the GPs would be consolidated and approved by the PS. The ZP would then approve the consolidated labour budget for the entire district and submit it to the State Government for onward transmission to the Central Government.

During 2019-24, the targeted person days as per the labour budgets and the actual employment generated in the State, are detailed in **Table 2.2**.

Table 2.2: Targeted person days and achievement in the State

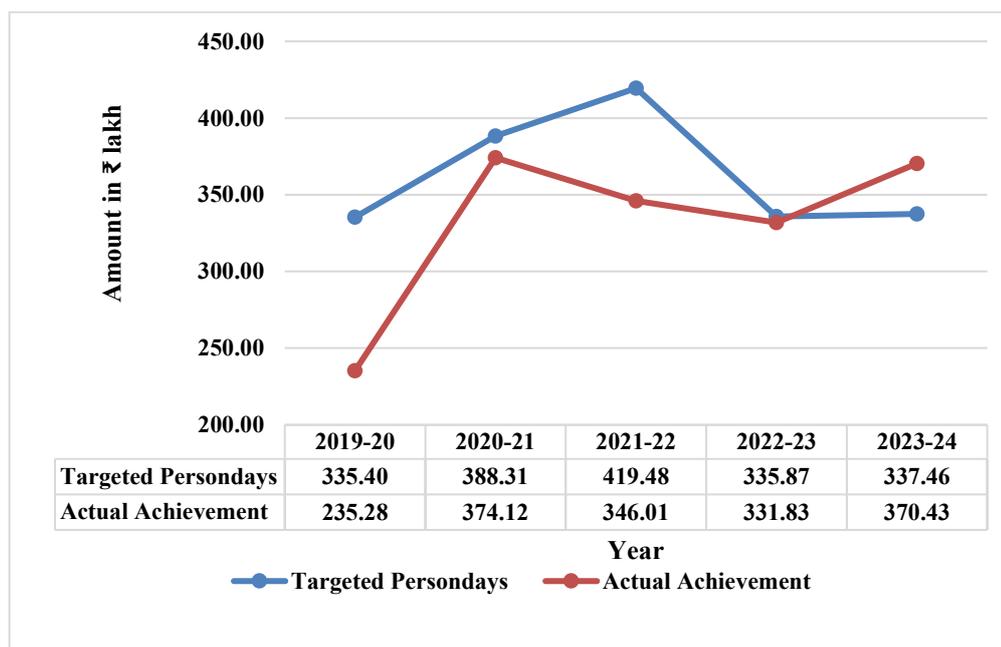
(Figures in lakh)

Year	Targeted person days (as per labour budget)	Actual achievement
2019-20	1,150.00	1,113.89
2020-21	2,050.00	2,080.75
2021-22	2,024.00	1,977.63
2022-23	1,850.00	1,852.73
2023-24	1,750.00	1,828.58
Total	8,824.00	8,853.58

Source: Information furnished by PR&DW Department

As can be seen from **Table 2.2**, against the targeted 8,824 lakh person days of labour budget, the actual employment generated was 8,853.58 lakh person days, which was more than the proposed person days. However, in the five test-checked districts, the actual generation of person days fluctuated between a shortfall of 67.25 *per cent* (Kalahandi during 2019-20) and excess of 25.78 *per cent* (Boudh during 2023-24) from the targeted person days in the labour budget. The targeted person days and actual achievement in the five test-checked districts are indicated in **Chart 2.3**.

Chart 2.3: Targeted person days and actual achievement in the test-checked districts



(Source: Information furnished by test-checked districts)

As can be seen from the above, in case of test-checked districts, the actual achievement for creation of wage employment was less than the targets projected in the labour budget, during the FYs 2019-24. These variations between targets and actual achievement were due to deficiencies in the preparation of labour budget, as discussed below:

- **No survey conducted for quantum and timing of demand:** As per Paragraph 6.2 of the Operational Guidelines, 2013, before preparation of the labour budget, a survey was to be conducted by the GPs to assess demand for work, after which a Development Plan and a shelf of projects would be prepared. However, during the period 2019-24, in all the test-checked GPs, no surveys were conducted to assess the actual quantum and timing of demand for employment. In the absence of these surveys, the seasonal demand for employment from each Job Card holder in the village, as well as any variations in demand, could not be accurately assessed.
- **No bottoms up approach for the preparation of the labour budget:** As per Paragraph 6.10 of the Operational Guidelines, 2013, labour budget was to be prepared and approved at the GP level by the Gram Sabha, forwarded to PS and consolidated at the district level. The same would then be submitted to the State Government for onward transmission to the Central Government. However, in all the test-checked districts, the labour budget targets were received from the State and the districts distributed the targeted person days to be generated amongst the PSs under their jurisdiction. In all the 40 test-checked GPs, Audit noticed that no labour budget was prepared by the GPs. Rather, a shelf of projects was prepared and approved by the Gram Sabhas.

Thus, in absence of a bottoms up people centered and demand driven approach for preparing the labour budget, there was no ground level realistic assessment

of the timing and quantum of demand. This led to variations between the targets provided and employment generated.

In reply, the Department stated (May 2025) that all ZPs/ PSs/ GPs had been instructed to evaluate the quantum and timing of demand for work during Palli Sabha/ Gram Sabha and prepare a shelf of projects to meet the demand. The Department further stated that the discrepancies observed by Audit were noted and all concerned would be impressed upon to scrupulously adhere to the extant provisions.

2.7.6 Non-Preparation of District Perspective Plan

Paragraphs 15.2 and 15.3.1 of Operational Guidelines provided that for the convergence of various Government sponsored projects with schemes like National Rural Livelihood Mission, Total Sanitation Programme, Pradhan Mantri Gram Sadak Yojana, Rashtriya Krishi Vikas Yojana, *etc.*, a District Perspective Plan should be prepared by the ZP which would identify the needs and gaps in the district for all sectors. This would be a multi-year plan for different departmental projects.

Audit noticed that in the five test-checked districts, no such District Perspective Plans were prepared due to which sector wise gaps could not be identified and convergence of works with departmental projects could not be done.

In reply, the Department stated (May 2025) that all districts had been impressed upon to strictly adhere to the non-negotiable provisions of MGNREGS.

2.7.7 Non-formation of District Level Technical Committee

Paragraph 4.4.3 of Operational Guidelines, 2013 for MGNREGS provided that a District Level Technical Committee (DLTC) should be formed to examine GP and Block Development Plans on the basis of technical considerations and district level development priorities. The Committee would examine the shelf of projects submitted by GPs and PSs, prepare district specific Schedule of Rates for common tasks under MGNREGS and work out a list of suppliers for the district for supply of material. The Committee would also lay down norms to ensure quality of assets being created under MGNREGS.

Audit noticed that during the FYs 2019-20 to 2023-24, no DLTCs were formed in the five test-checked districts to provide guidance for the implementation of MGNREGS. In the absence of DLTC, the GP and Block level Development Plans could not be examined with reference to district specific Schedule of Rates. Further, list of suppliers for the district for supply of material could not be selected and norms for ensuring quality of assets could not be finalised. Technical soundness of works taken up under MGNREGS, in terms of quality of the assets, could not be effectively monitored, resulting in creation of non-durable assets, as discussed in *Paragraph 2.9.3*.

In reply, the Department stated (May 2025) that the District Quality Monitoring Cell had been constituted and its operationalisation was being monitored during review meetings. The reply is not tenable as no DLTC had been constituted to examine GP and Block Development Plans on the basis of technical

considerations and district level development priorities, as required under Paragraph 4.4.3 of Operational Guidelines.

2.7.8 Non preparation of IEC plan

Paragraph 5.4.2 of the Operational Guidelines, 2013 for MGNREGS provides that the State should develop an Information, Education and Communication (IEC) plan for the MGNREGS which would focus on reaching out to the registered workers as well as other groups, which could be benefitted from the scheme. IEC activities were aimed at facilitating dissemination of right based provisions of the Act to ensure that the workers know their rights and demand wage employment as well as exercise their rights by applying for jobs as per their needs. Such IEC plans were to be prepared at the State, District, Block and local levels and could include activities such as puppet shows, folk dance, street play, focus group discussions, participatory games, wall writing, posters *etc.* to disseminate the messaging from MGNREGS. As per paragraph 12.5.5 of the Operational Guidelines, the expenditure for the IEC activities was to be met out of funds meant for Administrative Expenditure.

Audit observed that no such IEC plans were prepared at the State, district, block or village levels during 2019-24. In the absence of any planning for IEC activities, no such activities were found to be conducted in the test-checked ZPs, PSs and GPs. Thus, beneficiaries in the test-checked districts remained unaware of the benefits of the scheme, which may have contributed to the lack of demand for employment from the existing beneficiaries as well as non-enrollment of new beneficiaries. During beneficiary survey of 441 beneficiaries conducted by Audit, the following was observed:

- 195 beneficiaries (44 *per cent*) were unaware of the wage entitlement under MGNREGS.
- 195 beneficiaries (44 *per cent*) were unaware of the stipulated timelines for payment of wages.
- 189 beneficiaries (43 *per cent*) were unaware of the minimum entitlement of 100 days' employment.

Thus, non-preparation of IEC plan and non-conducting of subsequent activities adversely affected the outcome of MGNREGS, as beneficiaries were not sufficiently aware of their entitlements and benefits under the scheme.

The Department stated (May 2025) that IEC action plans for 2024-25 and 2025-26 had been prepared and communicated to districts. However, the fact remains that despite availability of funds under Administrative Expenditure, these funds were not effectively utilised for IEC activities during 2019-24.

2.7.9 Shortfall in conducting *Rozgar Diwas*

Paragraph 3.3 of the Operational Guidelines provides that every GP should organise a *Rozgar Diwas* at least once in every month to proactively invite applications from potential workers for employment under MGNREGS. The *Rozgar Diwas* would also carry out processing of work applications and related activities such as disclosure of information, allocation of work, payment of wages and payment of unemployment allowances.

Audit observed the following shortcomings in test-checked districts in organising *Rozgar Diwas* during 2019-24:

- Though the *Rozgar Diwas* was to be organised on a monthly basis, 30 out of 40 test-checked GPs had not organised any *Rozgar Diwas* during this period.
- In 10⁷² GPs, where *Rozgar Diwas* was stated to have been organised, Audit could not find any evidence of it being organised and no funds were utilised for organising such *Rozgar Diwas*. No applications were found to have been received from potential workers. Hence, the organisation of *Rozgar Diwas* by these 10 GPs was doubtful.

Thus, in the absence of organising *Rozgar Diwas*, beneficiaries were deprived of opportunities to demand for and avail work. Audit noted that only 37 to 64 *per cent* of registered HHs of the State and 20 to 74 *per cent* of HHs in test-checked districts, raised demands for work under MGNREGS.

The Department noted the audit observation and stated (May 2025) that all districts would be intimated to follow the instructions meticulously.

2.7.10 Idle Parking of MGNREGS funds

Ministry of Finance, GoI had notified (March 2021) a procedure for release of funds under Centrally Sponsored Schemes (CSS) through a state level Single Nodal Account (SNA). After creation of SNA for MGNREGS, the Department instructed (December 2021) all implementing agencies to refund any unutilised funds under MGNREGS to the SNA and furnish a certificate to that effect, for release of funds under CSS after January 2022.

Audit noticed that two ZPs (Cuttack and Malkangiri) had deposited (2008-09) ₹1.40 crore in the Post Office account towards corpus fund for payment of wages under MGNREGS. Similarly, two PSs (Chittrakonda and Kalimela) had kept unutilised balance of ₹8.03 lakh in their respective bank accounts since April 2019. However, as required, the amount of ₹ 1.48 crore⁷³ was not refunded by these ZPs and PSs to the SNA. This also indicated that the State had accepted the required certificate from the ZPs and PSs without ensuring correctness of the certificate submitted by them on refund of unutilised amounts to the SNA. Had these unutilised funds been refunded to the SNA account of MGNREGS, these could have been used for meeting expenses in areas like timely payment of wages, which had been impacted due to lack of sufficient funds.

In reply, the Department instructed (May 2025) the districts to clarify on the reasons for non-refund of the unutilised funds lying with them.

2.7.11 Low Utilisation of Administrative Expenditure

As per Paragraph 12.5 of the Operational Guidelines, the Central Government provides up to six *per cent* of the total expenditure on MGNREGS in a FY for administrative expenditure. The permissible activities under administrative

⁷² Gudvelipudar, Jogindrapur, Kantamal and Uma of Kantapada PS; Bhanpur, Rakshi, Sergarh, Ulikupa of Narla PS; Ladugan and Temra of Koksara PS

⁷³ ZP Cuttack: ₹ 5.00 lakh since 2008-09, ZP Malkangiri: ₹ 1.35 crore since 2008-09, PS Chittrakonda: ₹ 1.72 lakh since April 2019 and PS Kalimela: ₹ 6.31 lakh since April 2019

expenditure were trainings, IEC activities, MIS activities, quality management, social audit, evaluation and research, setting up of grievance redressal system, worksite facilities, etc.

During the FYs 2019-24, the State had incurred a total expenditure of ₹ 26,373.85 crore on MGNREGS. However, the State had incurred an expenditure of only ₹637.85 crore on administrative expenses during 2019-24, which was 2.42 per cent of the total expenditure.

Due to incurring of less expenditure, Audit noticed absence of required IEC activities in districts/ PS/ GPs, which affected awareness levels among the workers regarding their rights and entitlements. There was also no deployment of quality monitors at district and block levels which affected the quality of assets created, as discussed in subsequent paragraphs.

In reply, the Department stated (May 2025) that the audit observation had been noted and instructions would be followed meticulously.

2.7.12 Outstanding advance out of administrative fund

As per Finance Department's instruction (March 2002), any amount remaining unadjusted without valid reason for more than one year, should be treated as a loss. Further, the Administrative Department should initiate departmental proceedings for non-maintenance of Advance Register and non-realisation of the advances for unreasonable period of time.

In three out of 10 test-checked PSs, ₹72.28 lakh⁷⁴, advanced (prior to FY 2019-20) from MGNREGS funds to officials like Junior Engineers, Clerks, Village Level Workers etc., was lying unadjusted, as of August 2024. Audit noticed that none of these units had maintained the required Advance Register, due to which Audit could not ascertain the exact date and purpose for which such advances were given. The Programme Officers (POs) of the PSs had not taken any initiative to settle these outstanding advances by recovering the amount from the persons concerned. Thus, non-adjustment of advances for five to 17 years resulted in loss of ₹ 72.28 lakh to the scheme.

In reply, the Department stated (May 2025) that the concerned officials of the ZPs had been instructed for necessary compliance.

Recommendation 2.1:

Gram Panchayats (GPs) may conduct annual surveys to enrol new eligible beneficiaries, issue and update Job Cards with correct details of information and also delete ineligible beneficiaries to avoid any irregular payment of wages.

Recommendation 2.2:

Bottoms up approach in the preparation of Labour Budgets with involvement of Gram Sabha may be ensured to assess the actual requirement, quantum and timing of the demand for work.

⁷⁴ BDO, Chittrakonda: ₹ 4.55 lakh (since 2017); BDO, Kalimela: ₹ 65.57 lakh (since 2006) and BDO, Koksara: ₹ 2.16 lakh (since 2019)

2.8 Employment Generation

Paragraph 1.1 of the Operational Guidelines, 2013 for MGNREGS, guaranteed employment of at least 100 days in a financial year, to be provided to all unskilled workers desirous of such work. Further, paragraph 1.2 of the Guidelines provides that livelihood security through creation of durable assets and employment generation for rural HHs are the main objectives of MGNREGS.

In this context, issues related to employment generation like low demand for work, low employment, employment on two Job Cards to one HH, non-providing of employment to differently abled persons *etc.*, were noticed during audit, as discussed in the subsequent paragraphs.

2.8.1 Performance under MGNREGS with respect to demand of work and employment generation

During the FYs 2019-24, 58.72 lakh to 77.53 lakh rural HHs had registered themselves under MGNREGS in the State and availed employment for 88.54 crore person days. The status of registration, demand for work and employment generation by the HHs during the FYs 2019-24, is shown in **Table 2.3**.

Table 2.3: Physical performance of MGNREGS in Odisha

(Figures in lakh)

Year	HH as per census 2011	HHs registered	HHs who demanded employment (per cent of HH registered)	HHs availed employment (per cent of HHs demanded)	Per cent of HHs availed employment to HH registered	Person days generated (Average person days per HHs demanded work)	Per Cent of HHs provided 100 days employment of HH demanded work	HHs not provided employment
2019-20	86.78	69.44	25.77 (37)	23.25 (90)	33	1,113.89 (43)	6.24	2.52
2020-21	86.78	77.53	44.58 (58)	37.49 (84)	48	2,080.75 (47)	9.36	7.09
2021-22	86.78	75.57	40.66 (54)	34.75 (85)	46	1,977.63 (49)	11.26	5.91
2022-23	86.78	59.27	37.78 (64)	33.38 (88)	56	1,852.73 (49)	11.05	4.40
2023-24	86.78	58.72	35.28 (60)	32.71 (93)	56	1,828.58 (52)	9.62	2.57
Total						8,853.58		22.49

(Source: Data furnished by PR&DW Department)

From the above table, the following observations are made:

- **Low demand for work:** During the FYs 2019-24, only 37 to 64 per cent of registered HHs of the State demanded work. In the test-checked districts, this figure ranged between 20 and 74 per cent. Further, the average person days of employment generated for HHs who demanded work, ranged between 43 and 52 days, in the State. Non-conduct of survey for actual quantum and timing of demand, as discussed in **Paragraph 2.7.5**, also contributed to low demand for work.
- **Low employment:** Of the HHs that demanded work in the State, 84 to 93 per cent actually availed employment. In case of test-checked

districts, this figure was more or less the same, ranging between 83 to 100 *per cent*. However, if the number of HHs who availed employment is compared to the total HHs registered, only 33 to 56 *per cent* of HHs registered under MGNREGS in the State, actually availed employment under the Scheme.

- **Creation of 100 days' employment:** Against the provision of 100 days of guaranteed wage employment to be provided to the registered HHs, Audit noticed that during the FYs 2019-24, 100 days' employment generation was provided to only 6.24 to 11.26 *per cent* HHs, whereas 25.77 lakh to 44.58 lakh HHs had demanded work. This figure ranged between 0.20 and 16.18 *per cent* in the test-checked districts.

Low demand for work and subsequent low employment generation was attributed to non-issue of Job Cards in time, absence of door-to-door survey to register new HHs, non-payment of wages in due time, less rate of wages in MGNREGS in comparison to minimum wage rate of the State and also lower wage rate of MGNREGS as compared to neighbouring States like Andhra Pradesh⁷⁵. The above reasons were substantiated during beneficiary interview of 441 beneficiaries, as 117 beneficiaries (27 *per cent*) stated that they were not interested to work due to delayed payment of wages, while 234 beneficiaries (53 *per cent*) stated that they were not interested to work under MGNREGS due to less rate of wages in comparison to works related to other schemes.

In reply, the Department stated (May 2025) that the audit observation was prevalent across all the states since the inception of the scheme. The reply is silent about the other reasons for low demand for work.

Thus, the Scheme failed to satisfy the basic objective of livelihood security with guaranteed wage employment due to inadequate assessment of the timing and quantum of work. Employment under MGNREGS should have been generated keeping in view the timing for demands and agricultural seasons, when demand for work under MGNREGS is low.

2.8.2 Providing employment on two Job Cards to one HH

Paragraph 3.1.4 of Operational Guidelines, 2013 for MGNREGS provides that every registered HH will be assigned a system generated unique registration number in NREGASoft which would be printed on the Job Card of the HH. Further, Paragraph 3.4 of the Master Circular, 2019-20 on MGNREGS issued by MoRD, stipulates that any duplicate Job Cards should be cancelled after due verification and the status should be updated in NREGASoft. Hence, only one Job Card is to be issued to one HH.

Audit verified the Job Card registers and Muster Rolls and noticed that in 13 out of 40 test-checked GPs, 48 HHs were issued 97 Job Cards *i.e.* more than one Job Card had been issued to a HH. Out of these HHs, 36 HHs were provided employment on more than one Job Card within a year and ₹ 4.95 lakh was paid as wages showing employment for 2,324 person days through the additional Job Cards, as detailed in **Appendix 2.2**. This indicated that Job Cards were issued

⁷⁵ Wage rate for unskilled manual workers, as per MoRD notification: **Andhra Pradesh:** 2021-22: ₹ 245, 2022-23: ₹ 257, 2023-24: ₹ 272; **Odisha:** 2021-22: ₹ 215, 2022-23: ₹ 222, 2023-24: ₹ 237

without proper verification, which led to provision of employment on more than one Job card to one HH.

Further, in Chittrakonda PS, two HHs, with multiple Job Cards were shown as engaged in two different works during the same period⁷⁶ and were paid a total amount of ₹ 17,604 (₹ 8,802 each) on both the Job Cards. Thus, this raises the risk that the same person may have been shown as having worked at two separate works on the same day, leading to suspected fraudulent payments.

In reply, the Department stated (May 2025) that the concerned CDO-cum-EO of ZPs had been requested (April 2025) for necessary compliance and accordingly necessary action as deemed fit, would be taken against the erring officials.

2.8.3 Non-Provision of Employment to differently abled persons

As per Paragraph 9.3.6 of the Operational Guidelines, 2013 for MGNREGS, differently abled persons should be given preference for appointment as mates and as workers for providing drinking water, to manage crèches *etc.*, at worksites. As per Paragraph 9.3.9 of the Operational Guidelines, the Coordinator (Vulnerable Groups) was to hold monthly meetings to review the progress of implementation of activities like identification of persons with disabilities/other vulnerable persons and provision of work to them under MGNREGS.

During 2019-24, differently abled persons who had registered under MGNREGS in the State ranged between 74,635 (2021-22) and 28,047 (2023-24). No data on the actual demand for work from the differently abled persons was available with the Department. However, during the FYs 2019-24, 10,015 to 19,311 differently abled persons were provided with employment under MGNREGS. Low employment generation for differently abled persons was due to non-identification of such persons, non-provision of suitable works for them and poor monitoring at PS level.

The Department noted (May 2025) the observation of Audit and stated that a Standard Operating Procedure for engagement of persons with disabilities in wage employment, had been issued to all districts.

2.8.4 Deficiencies in payment of wages

2.8.4.1 Non-payment/ delay in payment of wages due to rejection of Fund Transfer Orders

Fund Transfer Orders (FTOs) are e-pay orders generated by PEOs of the GPs or BDOs of the PSs, for direct credit of wages to the Bank accounts of the beneficiaries. As per Paragraph 2.2.1(xiii) of the Operational Guidelines, 2013, for MGNREGS, the POs of the PSs were responsible for liaising with banks and post offices for opening of new accounts and for liaising between GPs, blocks and districts for all correspondence and communication relating to opening of accounts in banks / post offices for payment of wages.

During the FYs 2019-24, 36.31 lakh FTOs, generated for unskilled wages amounting to ₹447.08 crore, were rejected in NREGASoft due to various

⁷⁶ 12/05/2022 to 17/05/2022, 10/06/2024 to 23/06/2024, 01/06/2020 to 10/06/2020 and on 24/05/2022

deficiencies like incorrect bank account numbers, spelling of names, *etc.* of the beneficiaries. Out of these, FTOs of 29.24 lakh were regenerated by the GPs and PSs after due corrections with payment of ₹362.29 crore. However, 7.07 lakh FTOs for wages amounting to ₹84.80 crore⁷⁷, were not paid as of March 2024, as necessary corrections had not been made, indicating poor liaisoning of the POs with banks and post offices.

Further, in the five test-checked districts, during the same period, wages of ₹23.10 crore, pertaining to 1.72 lakh rejected FTOs were not regenerated and remained unpaid, as of March 2024. The reasons for rejection were stated to be invalid IFSC codes, non-existing/ closed bank accounts and non-tallying of account descriptions, *etc.* Audit test-checked 203 cases in 40 GPs and noticed that in 139 cases the delay between rejection of FTO to the final pay (after regeneration) ranged from 38 to 1,504 days. Besides in 64 cases, the payment had not been made as of March 2024. This indicated lack of verification of bank accounts of beneficiaries before inclusion in Job Cards by the GPs, which resulted in non-payment or delayed payment of wages to the beneficiaries.

In reply, the Department stated (May 2025) that the instructions had been issued (November 2024) to field functionaries for proper validation of accounts with banks before entering the data in NREGASoft.

2.8.4.2 Pending compensation for delayed payment to workers

Section 3 (3) and Paragraph 29 of Revised Schedule II of the MGNREG Act, *inter alia* provided for disbursement of wages on a weekly basis or in any case not later than a fortnight after the date on which such work was done. It also mandated payment of compensation for the duration of the delay beyond the 15th day of the closure of the Muster Roll (MR). As per Paragraph 9.8.4 of the Master Circular of MoRD, 2019-20, the PO, after verification, could approve or reject the compensation payable with reasons and maintain records of the same for future verification.

During 2019-24, there were delays of 1.44 crore days in payment of wages of ₹154.31 crore. For this delay, the beneficiaries were entitled to receive compensation of ₹1.03 crore. However, only ₹0.01 crore was paid during 2019-24 on account of compensation and the remaining compensation of ₹1.02 crore was rejected and was not paid on the grounds of natural calamities, insufficient funds in the State Nodal Account, *etc.*

As the beneficiaries were not responsible for any of the above bottlenecks, the rejection of compensation was not justified. Besides, non-payment of compensation defeated the objective of the Scheme of providing livelihood support through guaranteed wage employment.

In reply, the Department stated (May 2025) that instructions were issued to districts from time to time for clearing the delays in payment of compensation.

2.8.4.3 Non-provision of Unemployment Allowance

Paragraph 3.5 of Operational Guidelines provides that in case of non-provision of employment within 15 days of receipt of application of worker for

⁷⁷ 2019-20: ₹ 9.78 crore, 2020-21: ₹ 16.36 crore, 2021-22: ₹ 23.30 crore, 2022-23: ₹ 15.30 crore, 2023-24: ₹ 20.06 crore

employment, he/she shall be entitled to a daily unemployment allowance⁷⁸. Further, as per notification (March 2020) of PR&DW Department, non-payment of unemployment allowance was to be reported in the Annual Report submitted by the DPC to the State Government along with the reasons for such non-payment or delayed payment.

Audit observed that during the FYs 2019-24, out of 184.07 lakh HHs that demanded work, 161.58 lakh HHs were provided employment and 22.49 lakh HHs could not be provided employment, as detailed in **Table 2.3**.

Similarly, in five test-checked districts, despite demand for work, 1.22 lakh HHs were not provided employment during the FYs 2019-24. However, no unemployment allowance was paid to these 1.22 lakh HHs and such non-payments were not reported by the POs either to the DPCs or to the State Government. The reasons for non-payment of unemployment allowance during the FYs 2019-24 were not furnished to Audit.

During interviews of 441 beneficiaries, 320 beneficiaries stated that they had demanded work orally but no receipts for such demands were provided by the GPs after registering their demands. Further, they stated that they were not provided work at the time of their demand, but employment was provided as and when any work was executed in their locality.

As the beneficiaries did not receive any unemployment allowances on the event of failure to provide employment at the time of their requirement, the objective of the scheme to enhance the livelihood security could not be achieved.

In reply, the Department stated (May 2025) that instructions had been issued to districts from time to time for clearing the unemployment allowance payment.

2.8.4.4 Payment made in the name of dead beneficiaries

As per Paragraph 7.11.7 of the Operational Guidelines, 2013, for MGNREGS, attendance of workers was to be taken by the Mate/ *Gram Rozgar Sevak* (GRS) on a Paper MR maintained at the work site. The names of the workers from the Paper MR would then be entered by the GP officials in NREGASoft (e-muster roll) for payment of wages.

As per Paragraph 3.1.5 (xiii) of the Operational Guidelines, 2013, a Job Card shall be valid for five years. Any addition and deletion of the members in the Job Cards shall be done by the GPs either upon receiving information from the HHs or through annual updation by the GPs.

Audit noticed that in two PSs (Kalimela and Chittrakonda), four beneficiaries were shown as engaged between 04 June 2019 and 21 January 2024 in different works for 172 person days and were paid an amount of ₹ 37,380, as detailed in **Appendix 2.3**. Audit confirmed from the records of respective Community Health Centres that the said beneficiaries had expired between 30 January 2018 and 11 January 2024. However, they were shown to be provided employment even up to four years after their death and wages were shown to be paid. This indicated that daily attendance in the MRs at worksite was taken by the Mate/

⁷⁸ Unemployment allowance will not be less than one-fourth of the wage rate for the first thirty days and not less than one-half of the wage rate for the remaining period of the financial year.

GRS without actual engagement of the beneficiaries and names were entered in the NREGASoft by the GPs. This led to suspected fraudulent payment of wages to dead beneficiaries.

The above facts indicated that there was no consistency in the maintenance of MRs by the GPs. As MRs are the basis of generation of FTOs, inconsistencies between paper MRs and e-MR in NREGASoft made the payment of wages doubtful.

In reply, the Department stated (May 2025) that CDO-cum-EO of ZPs had been intimated (April 2025) to look into the matter and submit action taken report.

Recommendation 2.3:

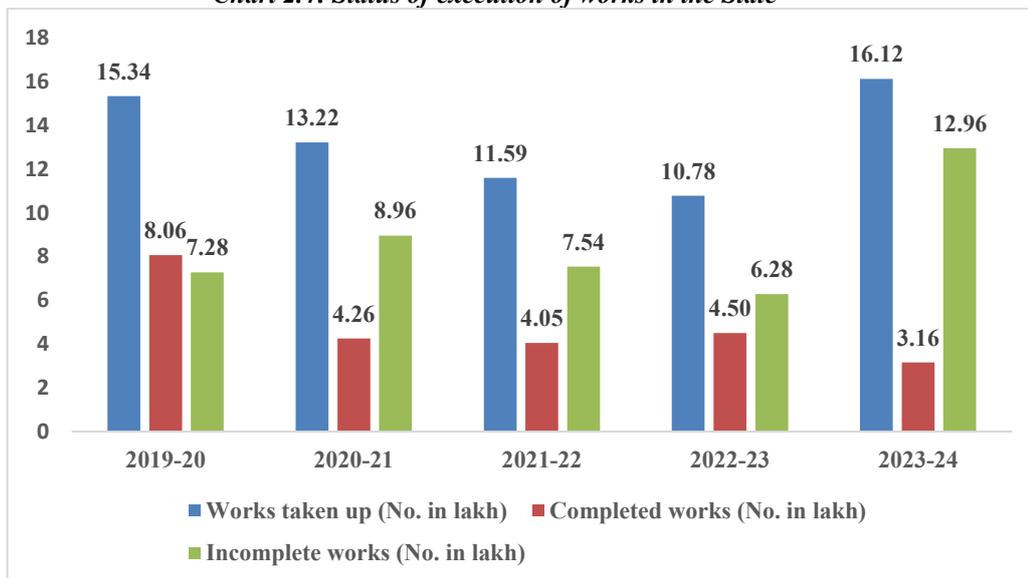
The Government may ensure payment of unemployment allowance to all eligible wage seekers who had not been provided work within 15 days of their demand. Also, the differently abled wage seekers may be encouraged by providing suitable employment under the scheme.

2.9.1 Execution of works

As per Paragraph 1.2 of the Operational Guidelines, 2013 for MGNREGS, livelihood security by creation of durable assets and employment generation for rural HHs are the main objectives of MGNREGS.

During the period 2019-24, out of 62.06 lakh approved projects, the State took up 36.99 lakh works for execution and completed 24.03 lakh works with an expenditure of ₹15,221 crore. As of March 2024, 12.96 lakh projects (35 per cent) remained incomplete after incurring an expenditure of ₹ 9,898.70 crore, as shown in **Chart 2.4**.

Chart 2.4: Status of execution of works in the State



(Source: Information received from PR&DW Department)

In the five test-checked districts, against 13.08 lakh works approved, 7.60 lakh works were taken up for execution during the FYs 2019-24. Out of these, 4.70

lakh works (62 per cent) had been completed, while 2.90 lakh works⁷⁹ (38 per cent) remained incomplete after incurring an expenditure of ₹1,970.11 crore. It was noted that the remaining 5.48 lakh works had not even started (March 2024).

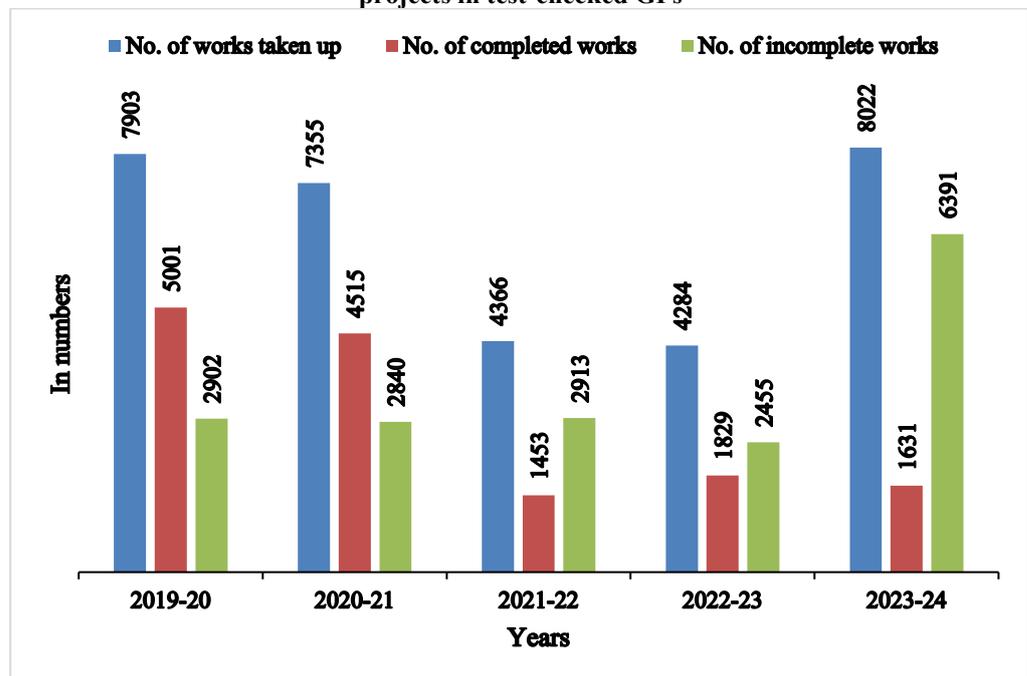
The reasons for non-completion for these works were mainly attributed to non-acquisition of land, preparation of unrealistic estimates by GPs and PSs and inadequate monitoring at PS level, as discussed in the succeeding paragraphs.

2.9.2 Execution of new works despite non-completion of existing works

Paragraph 7.17.4 of the Operational Guidelines, 2013 for MGNREGS provides that new works should be taken up only after completion of works taken up earlier. Further, no sanction should be given to begin new works, if there were incomplete works for more than one fiscal year, after the year in which the works were taken up. Besides, Appendix-2 of the Operational Guidelines, 2013 prescribes the guidelines for the new/ additional works permitted under MNGREGA which include individual beneficiary works to be taken up on private land and homestead land of the individual land owner who shall be a job card holder and also work in the project.

From the information furnished to Audit, it was noticed that during the FYs 2019-24, in 40 test-checked GPs, out of 31,930 works taken up, 17,501 works (55 per cent) remained incomplete, after incurring an expenditure of ₹ 42.29 crore, as shown in **Chart 2.5**.

Chart 2.5: Year-wise status of new projects taken up, completed projects and incomplete projects in test-checked GPs



(Source: Information collected from test-checked GPs)

⁷⁹ Boudh: 0.22 lakh. Cuttack: 0.13 lakh, Kalahandi: 0.55 lakh, Malkangiri: 0.31 lakh, Mayurbhanj: 1.69 lakh

Despite the fact that works taken up during previous years had remained incomplete, the Gram Sabhas did not include them in the subsequent AAPs, rather new works were taken up for execution in subsequent years.

During JPIs (July to September 2024), it was noticed that in order to provide connectivity in 29 villages, 29 road works were taken up with an estimated cost of ₹1.82 crore, which were to be completed between August 2020 to January 2024. However, these works remained incomplete as of July 2024, after incurring an expenditure of ₹ 0.92 crore, denying connectivity to the concerned GPs. Despite this, these incomplete works were either not executed further or were wrongly shown as completed in the NREGASoft. Similarly, individual beneficiary works⁸⁰ taken up during the period 2018-19 to 2022-23 were also shown as completed in the NREGASoft although these remained incomplete.

Due to non-completion of these works, neither the population of these villages could avail the benefits nor the individual beneficiaries could receive any benefit to improve their livelihood, despite an expenditure of ₹ 1.04 crore. Some examples of incomplete roads are shown in **Pictures 2.1 to 2.4**.



Picture 2.1 & 2.2: Pictures of Incomplete road from Nillakota to Padimguda, Mallavaram GP, Kalimela PS, Malkangiri without culvert (08 August 2024)

⁸⁰ Construction of Cow shed, Farm Pond and Land Development works, etc.



2.9.3 Creation of non-durable assets

Paragraph 7.1.3 of the Operational Guidelines, 2013 allows for execution of rural connectivity works that provides all-weather access.

During the FYs 2019-24, in the test-checked 10 PSs, 1,317 earthen roads were constructed at a cost of ₹ 55.32 crore from MGNREGS funds, as detailed in **Table 2.4**.

Table 2.4: Details of earthen roads in the test-checked PSs

Sl. No.	Name of the PS	Number of Earthen Roads Constructed	Estimated Cost (₹ in crore)	Total Expenditure (₹ in crore)
1	Banki	118	7.27	4.65
2	Chitrakonda	164	11.92	9.78
3	Kalimela	115	8.45	7.32
4	Nischintakoili	215	11.33	6.59
5	Koksara	42	2.29	1.26
6	Narla	142	6.94	4.30
7	Betnoti	328	15.70	12.78
8	Jamda	37	1.82	1.49
9	Boudh	144	8.41	6.76
10	Kantamal	12	0.73	0.39
Total		1,317	74.86	55.32

(Source: Information furnished by sampled PSs)

Audit conducted (July to September 2024) JPIs of 23 earthen roads with an estimated cost of ₹1.26 crore, which had provision for earthworks only. These works were executed (during FYs 2020-21 and 2023-24) and shown as completed in the NREGASoft, after incurring an expenditure of ₹ 0.89 crore. However, Audit noticed that the roads were in a very bad shape and were not fit for all-weather access, as can be seen from **Pictures 2.5 to 2.8**.

<p>Picture 2.5: Kinikupa to PWD Road via Dumalpali Phase II Uma GP, Kantamal PS (14.08.2024)</p>	<p>Picture 2.6: Road from PWD to Nuaguda Village of Chitrokonda PS (07.08.2024)</p>
<p>Picture 2.7: Improvement of Road from Budhipadar UP School to Crematorium (14.08.2024)</p>	<p>Picture 2.8: Road from Dhekalmunda to Barahakalu, constructed by Uma GP, Kantamal PS (02.08.2024)</p>

As per Paragraph 15.3.1 of the Operational Guidelines, convergence of MGNREGS works with resources of other schemes and programmes like National Rural Livelihood Mission, Total Sanitation Programme, Pradhan Mantri Gram Sadak Yojana, Rashtriya Krishi Vikas Yojana *etc.* needs to be identified and discussed in the Gram Sabhas for inclusion in the shelf of projects as part of the Annual Labour budget for the scheme prepared by the GP.

Audit observed that the State Government had intimated (January 2020) a list of projects like construction of Anganwadi Centers (AWC), construction of GP building, renovation of irrigation structure, *etc.*, for execution under MGNREGS in convergence with resources from other schemes and programmes. However, the GPs did not take any initiatives for convergence at their level by way of construction of assets with labour cost from MGNREGS and material cost from other schemes.

Since only earth works were provisioned for in the estimates, the roads were not fit for all weather access. These roads could have been made durable after convergence of MGNREGS with other schemes. Thus, the objective of MGNREGS of creation of durable assets was defeated.

In reply, the Department stated (May 2025) that instructions had already been issued to all Collector-cum-DPCs, MGNREGS to provide all weather motorable road connectivity by constructing the roads up to the level of standard Water

Bound Macadam (WBM) road under MGNREGS and transfer to RD Department for upgradation to Black top level.

2.9.4 Inadmissible Works

Paragraph 7.2.2 of Annual Master Circular 2022-23 issued by MoRD, GoI stipulates that works which are non-tangible, not measurable and repetitive in nature shall not be taken up under MGNREGS. A list of permissible 266 works under MGNREGA is specified in Annexure-I of Annual Master Circular 2022-23. Hence, execution of works other than these listed permissible works would be inadmissible works under MGNREGA. However, Audit observed instances of inadmissible works being taken up under MGNREGS, as discussed in the subsequent paragraphs.

2.9.4.1 Irregularities in development of playgrounds

The PR&DW Department, GoO instructed (February 2016) all Collectors and CDO cum EOs of the ZPs that construction of playgrounds under MGNREGS should be limited to items like land levelling, use of quality soil, grass turfing, drainage clearance, green fencing, plantations *etc.* The Department also prohibited inclusion of items like construction of boundary wall, gallery and rooms in the estimates for construction of playground.

During JPI (July and August 2024) in the presence of GP officials, Audit noticed that in five cases, playgrounds were developed, after incurring an expenditure of ₹24.39 lakh, as detailed in **Appendix 2.4**. In all these cases, besides field levelling works, expenditure of ₹10.30 lakh was incurred on inadmissible works like construction of *pandals, mandaps etc.* in the play fields, in violation of the instructions of the Government, as can be seen from **Pictures 2.9 to 2.11**.



2.9.4.2 Irregularities in land development works

As per Paragraph 7.5.7 of the Annual Master Circular, 2019-20, under MGNREGS, land development component of work was meant to convert non-cultivable land into cultivable land through field bunding, levelling, shaping, terracing *etc.* The works such as removing dry leaves, cutting of grass, resizing of existing bunds *etc.*, should not be taken up under land development component. Further, PR&DW Department intimated (August 2023) all Collectors and CDO cum EOs that land development activities inside premises of AWC, Rural *Haat*, GP, Library *etc.*, were not admissible under MGNREGS works.

Audit however noticed in three out of 40 test-checked GPs that six land development works had been executed inside the campus of the *Kalyan Mandap*, GP office, Club campus, *etc.*, with an expenditure of ₹15.71 lakh, as detailed in **Appendix 2.5** and shown in **Pictures 2.12 to 2.15**. As these works were not meant for converting non-cultivable land to cultivable land, these works could not be considered under land development category and therefore, were not permissible under MGNREGS.

<p>Picture 2.12: Land Development work inside Sidhadevi Kalyan Mandap premises at Narendrapur GP, Nichintakoili PS (05 July 2024)</p>	<p>Picture 2.13: Land Development work in front area of GP Office at Narendrapur GP, Nichintakoili PS (05 July 2024)</p>
<p>Picture 2.14: Land development and peripheral development of Kalapathar in Dalapathar High School at Kalapathar GP, Banki PS, Cuttack (26.07.2024)</p>	<p>Picture 2.15: Land Development of Madhupalli Club Campus at Kalapathar GP, Banki PS, Cuttack District (26.07.2024)</p>

The Department confirmed the facts and stated (May 2025) that the Collector-cum-DPCs would ensure that no such projects were taken up in their districts.

The entire project cost would be recovered from the erring officials responsible for incurring any such infructuous expenditure and departmental proceedings would be initiated against them.

2.9.5 Execution of new work without approval of MoRD

Paragraph 7.1.3 of the Operational Guidelines, 2013 for MGNREGS provides a list of permissible works under 16 categories that could be executed under MGNREGS. Any other new category of work to be executed by the State requires the approval of MoRD. Further, as per Paragraph 6.1.3, any MGNREGS work to be executed requires the approval of the Gram Sabha.

In 09 out of 10⁸¹ test-checked PSs, ₹14.42 crore were utilised on 5T⁸² school projects in Odisha for upgradation of schools through execution of 331 works like ‘Development of school ambience’, Construction of e-library, *etc.*, (**Pictures 2.16** and **2.17**) out of MGNREGS funds. These works did not come under any category of work mentioned in the Operational Guidelines of the Scheme. However, without taking the approval of MoRD, these were taken up under categories like Land Development, Construction of AWC, other rural infrastructure *etc.* Further, none of these works were approved by the concerned Gram Sabhas.



The Department accepted the observation of Audit and stated (May 2025) that proposals were submitted to MoRD for inclusion of new activities into the list of permissible works under MGNREGS, which were, however, declined by MoRD. The reply is silent on why these works were taken up despite the refusal of the MoRD.

2.9.6 Unfruitful expenditure on creation of assets

Paragraph 1.4 of the Operational Guidelines provides that selection of sites for MGNREGS works are to be approved by the Gram Sabha. Further, as per Paragraph 6.6, the outcomes in terms of the number of families which would be

⁸¹ Banki, Betnoti, Boudh, Chittrakonda, Kalimela, Kantamal, Koksara, Narla and Nishintakoili

⁸² 5T High School Programme is a government initiative in Odisha that aims to modernise high schools across the State.

benefitted and the area that would be covered once works are completed, are also to be provided in NREGASoft.

In four test-checked GPs of three PSs, Audit noted that five projects were taken up by the GPs for execution without the approval of the Gram Sabha and without any assessment of outcomes or benefits being carried out. Further, it was also seen that these projects were taken up without assessing their feasibility and requirement and therefore, these assets could not be utilised, despite an expenditure of ₹21.16 lakh. Thus, the expenditure of ₹21.16 lakh incurred on these projects was rendered unfruitful, as detailed in **Appendix 2.6**.

For example, a check dam was constructed in an area where there was no flow of water (**Picture 2.18**), playgrounds were constructed inside forest area (**Picture 2.19**), rural haat was constructed at a place other than the existing market place (**Picture 2.20**) and was not used by shopkeepers, construction of a staggered trench without any use (**Picture 2.21**), etc.

<p>Picture 2.18: Construction of Check Dam at Dhalpur Charanbeda in Hensda GP, Jamda PS (20.07.2024)</p>	<p>Picture 2.19: Development of Play field at Kamira at Mundapada GP, Boudh Block, Boudh District (forest area) (06.09.2024)</p>
<p>Picture 2.20: Construction of Rural Haat for Community at Silatpadar of Gudvelipadar GP, Kantamal PS, Boudh District (06.08.2024)</p>	<p>Picture 2.21: Construction of Staggered trench at Tiringkocha village Jatapani at Hensda GP, Jampda PS, Mayurbhanj District (20.07.2024)</p>

In reply, the Department stated (May 2025) that concerned CDO-cum-EO of ZPs had been requested (April 2025) for necessary compliance on the matter and accordingly, necessary action as deemed fit, would be taken against erring officials.

2.9.7 Doubtful payments

Paragraph 7.12.5 of Master Circular 2019-20, provides that for payment to suppliers, bills need to be prepared indicating the quantity of materials used, per unit price and total amount payable. For preparation of bills, vouchers showing supply of material are to be submitted by the suppliers. The copies of these vouchers should be kept in the concerned work file of the GPs. Audit came across instances of doubtful payments, as discussed below:

(a) **Doubtful payment for material:** In Gajalmamudi GP of Chitrakonda PS, ₹ 2.58 lakh was shown as paid (August 2022 to January 2024) to a vendor for supply of materials like sand, metal, stone, cement, etc., for Cement Concrete works in three projects⁸³. During JPI (July and September) of these three works, it was noticed that no cement works had been executed, as can be seen from **Pictures 2.22** and **2.23**.



This indicated that payments had been made without execution of works, and hence genuineness of these payments was doubtful.

(b) **Doubtful payment of wages:** In Chitrakonda Block, ₹18,920 was shown as paid (December 2021) by the GP for wages to labourers in plantation work at Badapada UP school. During JPI (August 2024), no plantation work was found existing in the school premises. Further, the *Gram Rozgar Sevak* (GRS) of the GP and the Headmaster of the school also confirmed that no such plantation work was done in the school premises. This indicated that payment of wages was made without actual execution of work.

In reply, the Department stated (May 2025) that concerned CDO-cum-EO of ZPs had been requested (April 2025) for necessary compliance on the matter and accordingly, necessary action as deem fit, would be taken against erring officials.

⁸³ 1. Community tank at Totaguda, 2. Community tank at Anjariguda and 3. Excavation of Community tank at Gajalmamudi

2.9.8 Non provision of worksite facilities

Paragraph 7.12 of the Operational Guidelines provides that worksite facilities such as drinking water, first aid box, crèche for children of the workers, are to be provided to workers.

Audit test-checked 280 works and noticed that no payments were made towards provisions of these worksite facilities. Further, during beneficiary interviews 29 *per cent* beneficiaries stated that no drinking water facility was available and 50 *per cent* beneficiaries stated that no first aid facility was provided at work sites.

In reply, the Department stated (May 2025) that it was the responsibility of the implementing agency concerned to ensure provision of worksite facilities. The reply is not tenable as it was the overall responsibility of the Department to monitor the working of the implementing agencies and ensure that the provisions of the MGNREGS Guidelines were followed.

2.9.9 Non verification of bills and vouchers at worksite

Paragraph 7.11.5 of the Operational Guidelines provides that when a work is under progress, the workers engaged in that work shall select one worker from among themselves to verify and certify all the bills of their worksite, at least once a week. However, in three out of 10 selected PSs, Audit reviewed 280 works and noticed that in 102 works, bills were not verified and certified by the workers. Absence of verification and certification of these bills at the worksite indicated lack of transparency and high risk of submission of false bills.

In reply, the Department stated (May 2025) that the field functionaries had been instructed from time to time through various forums, meetings and circulars to verify the bills and vouchers.

Recommendation 2.4:

Status of incomplete works needs to be monitored closely by the State, district and block level authorities to ensure their timely completion and new works should be taken up only after ensuring completion of pending works.

Recommendation 2.5:

Creation of non-durable assets and execution of inadmissible works/projects may strictly be prohibited while approving the consolidated labour budgets and preparing shelf of projects for the GPs at PS and ZP levels.

2.10 Supervision and Monitoring

To ensure transparency and accountability, the monitoring framework in MGNREGS involves a multi-layered approach using various mechanisms. The MGNREGA, 2005 and MGNREGA Operational Guidelines, 2013 prescribe monitoring of the overall implementation of the Scheme at National level, State level and District level through Vigilance and Monitoring Committees, District Quality Monitors, State Quality Monitors, National level Monitors, State Employment Guarantee Council and Social Audit by State Social Audit Unit.

2.10.1 Functioning of the State Employment Guarantee Council

The State Employment Guarantee Council (SEGC) for MGNREGS was established (November 2007) to advise the State Government on all matters pertaining to the Scheme. As per Paragraph 1.4 of the Operational Guidelines, 2013, the SEGC would evaluate, review and monitor the Scheme and would prepare an Annual Report on the outcome of MGNREGS, which would be laid before the State Legislature. The SEGC was headed by the Chief Minister as the Chairman with the Minister, Panchayati Raj as ex-officio Vice-Chairman. The official members of SEGC included the Chief Secretary, Development Commissioner, Agriculture Production Commissioner, Secretaries of nine related Departments including Finance and PR&DW etc.

Audit noticed the following deficiencies in functioning of the SEGC:

- As per Section 12 of MGNREGS Act, SEGC was to meet at least two times each year. However, the SEGC met only three⁸⁴ times during the FYs 2019-24, against the requirement of a minimum of 10 meetings. Further, it had not met since 14 October 2022, and therefore no Annual Reports on the outcomes of MGNREGS, though prepared, could be approved for the FYs 2021-22, 2022-23 and 2023-24 for submission to the State Legislature, reducing accountability of the executive with regard to effective implementation of the Scheme.
- As per Paragraph 13.14.3 of the Operational Guidelines, 2013, a summary report of cases disposed by the Ombudsmen was to be reported to the SEGC, which would form a part of the Annual Report on outcome of MGNREGS. However, in the absence of regular sittings of the SEGC, the Summary Report of Ombudsmen could not be reported to the SEGC and the same was not included in the Annual Report on outcome of MGNREGS.
- As per Paragraph 13.4.5, the SEGC was to monitor the action taken by the State Government on the findings of Social Audit. In the absence of any meeting since October 2022, the SEGC could not review and monitor the Action Taken Report of the State Government on the findings of Social Audit.

The Department confirmed the facts and stated (May 2025) that steps would be taken to conduct SEGC meeting at regular intervals as mandated.

2.10.2 Constitution of Vigilance and Monitoring Committee

Paragraphs 13.6.2, to 13.6.4 of the Operational Guidelines provide that, at the State level, a Vigilance Cell consisting of a Chief Vigilance Officer, at the district level a District Vigilance Cell and at local level, a Vigilance and Monitoring Committee would be set up. These cells would receive complaints on the implementation of the Scheme, conduct regular field visits to detect irregularities and interact with workers and conduct concurrent Social Audit.

In the test-checked districts, PSs and GPs, no such Vigilance Cell and Vigilance Monitoring Committees were constituted except in one GP *i.e.*, Kalapathar GP

⁸⁴ 25 March 2021, 16 November 2021 and 14 October 2022

of Banki PS. Thus, no field visits were conducted to interact with workers and detect irregularities.

In reply, the Department stated (May 2025) that the districts had been instructed to constitute District Level Vigilance Cells and Local Level Vigilance Committees.

2.10.3 Effectiveness of State and District Quality Monitors

As per Paragraphs 14.8 and 14.10.4 of Operational Guidelines, the State Quality Monitor (SQM) would inspect at least five *per cent* works during the progress of works, so as to assess their quality aspects. Further, as per Paragraph 7.12.1 of the Annual Master Circular, 2019-20, there would be a District Quality Monitoring (DQM) Cell which would have a panel of 10 to 15 technical officials to monitor and evaluate at least 10 *per cent* of the works executed under the Scheme.

Audit observed that although the SQM Cell was constituted (February 2020) with the Superintending Engineer as its Director, its functioning remained ineffective as in none of the test-checked districts, the SQM had ever visited and inspected any work during the FYs 2019-24. No reasons were on record to explain the non-functioning of the SQM Cell. Further, during the FYs 2019-24, no DQM was appointed by the DPCs in any of the districts. Thus, the quality of works undertaken under MGNREGS could not be independently assessed due to the absence of any checks by the State/District level Quality Monitors. Audit noticed issues related to quality of works during the JPIs conducted, as discussed in **Paragraph No. 2.9.3** of this Report.

In reply, the PR & DW Department stated (May 2025) that SQM Cell was reconstituted in October 2024. The fact, however, remained that the same remained non-functional during the last five years 2019-24, *i.e.*, during the period of Audit

2.10.4 Redressal of grievances

Paragraph 13.14 of the Operational Guidelines, 2013 provides that in order to maintain transparency and accountability, the State Government would establish the office of Ombudsman in all districts for expeditious redressal of grievances regarding implementation of the MGNREGS Scheme. Any amount recommended by the Ombudsman for recovery should be recovered by the DPC and deposited in the State Employment Guarantee Fund (SEGF). Further, Section 23(6) of the MGNREGA provides that the PO shall maintain a Complaint Register and enter every complaint into it and shall dispose of the disputes and complaints within seven days of their receipt.

Audit noticed the following deficiencies in redressal of grievances:

- **Non-appointment of Ombudsmen:** Audit observed that as of March 2024, out of the 30 districts in the State, no efforts were made to appoint the Ombudsman in 10 districts and in five districts the appointment of Ombudsman was not done due to disputes in the appointment process.
- **Poor follow up of recommendation of the Ombudsmen:** During the FYs 2021-24, at the State level, out of 1,285 complaints received, 1,139 cases had been settled with recommendation for recovery of ₹1.61 crore. Out of this amount, only ₹14.54 lakh (nine *per cent*) had been recovered

from erring officials, while ₹1.47⁸⁵ crore, was pending for recovery as of August 2024. The DPCs of Boudh, Jajpur, Ganjam, Jagatsinghpur, Kendujhar and Malkangiri had not recovered (August 2023) any amount and DPCs of other districts had made only partial recoveries from erring officials.

- **Non maintenance of Complaint Register:** Out of 10 test-checked PSs and 40 test-checked GPs, no Complaint Registers were maintained in seven PSs and 27 GPs. In the absence of Complaint Registers, Audit could not obtain assurance regarding the existence of any grievance redressal system in these PSs and GPs.

Thus, non-appointment of Ombudsman in all districts, poor response to their recommendations by the DPCs and deficiencies in attending to the complaints at PS and GP level, rendered the system of grievance redressal ineffective.

In reply, the Department stated (May 2025) that the districts had been requested (April 2025) to recover the amounts proposed by Ombudsman and deposit the same in SEGF. Regarding disposal of complaints, the Department stated that concerned CDO-cum-EO of ZPs had been requested (January 2025) for necessary compliance.

2.10.5 Social Audit

The MGNREGA provides for a central role of ‘Social Audit’ as a means of continuous public vigilance. As per Paragraphs 13.1.1 and 13.1.2 of the Operational Guidelines, 2013, to ensure public accountability in the implementation of projects, laws and policies, Social Audit would be conducted at least once in six months in every GP involving a mandatory review of all aspects of MGNREGS. The findings of the Social Audit Report would be forwarded to the district and block level authorities for disposal and action. Further, Paragraph 10.1.9 of the Master Circular issued by MoRD stated that the DPC would ensure that corrective measures were taken based on the Social Audit Report, including steps like recovery of embezzled amounts *etc.* The SEGC would monitor the action taken by the State Government with respect to Social Audit and incorporate the action taken report in the Annual Report on the outcome of MGNREGS to be laid before the State legislature.

Audit noticed that a State Social Audit Unit⁸⁶ was constituted (September 2011) at the State level to facilitate social audit in Odisha. During the FYs 2019-24, it facilitated 39,918 Social Audits in the Gram Sabhas of 6,794 GPs at an average of one Social Audit in each GP. In these Social Audits, 91,272 observations were raised on various issues including misappropriation of ₹9.79 crore. Of this misappropriated amount, recovery of ₹4.00 crore was effected by the district authorities and disciplinary action was initiated in 21,788 cases, as of March 2024.

However, there was no monitoring at the level of the SEGC, as it had not met since October 2022. This indicated that although the Social Audit Unit was

⁸⁵ 2021-22: ₹0.19 lakh, 2022-23: ₹97.20 lakh, 2023-24: ₹ 49.42 lakh

⁸⁶ Odisha Society for Social Audit Accountability and Transparency

functional in the State, it could have been strengthened further with monitoring at the highest level *i.e.*, by the SEGC.

2.10.6 Manpower Availability

Section 18 of MGNREG Act, 2005 mandates provision of required functionaries necessary by the State Government. Further, Paragraph 2.4.2 of the Operational Guidelines, 2013 provided for various functionaries to be appointed by PR&DW Department at the State, District, Block and GP levels. As per Operational Guidelines, one *Gram Rozgar Sahayak* (GRS) would be appointed at the GP level to assist the PEO in MGNREGS works. Similarly, one Additional Programme Officer would be appointed by the PR&DW Department at the PS level to assist the PO. At the State level, there would be a MGNREGS Cell to provide managerial and technical capacity to PR&DW Department for the implementation of MGNREGS with appointment of Thematic Experts, such as Programme Managers, Programme Associates, Programme Assistants, *etc.*

The vacancies against the sanctioned strength of required functionaries at the State, PS and GP levels, as of June 2024, are shown in **Table 2.5**.

Table 2.5: Status of Manpower as of June 2024

Name of post	Sanctioned strength	Persons in position	Shortfall	Percentage of Shortfall
Programme Manager (State level)	5	2	3	60
Programme Associate (State level)	15	4	11	73
Programme Assistant (State level)	16	8	8	50
Additional Programme Officer (PS level)	314	287	27	9
<i>Gram Rozgar Sevak</i> (GP level)	6,794	3,106	3,688	54

(Source: Information furnished by PR&DW Department)

As can be seen from **Table 2.5**, there was shortage of manpower both at the State and at field levels. The GRSs were the ground level functionaries who were in-charge of basic functions like receipt and verification of applications for registration of beneficiaries, entering the particulars in the MIS (NREGASoft), receipt of application for demand for works, provision of works, managing worksite facilities including taking attendance of the workers, distribution of pay slips amongst the workers, maintenance of required records, *etc.* Thus, huge vacancies of GRSs affected the implementation of the Scheme at ground level, affecting the overall performance of the Scheme.

Thus, shortage of manpower resulted in deficiencies in records maintenance, grievance redressal, online entry of muster rolls, verification and issue of Job Cards at field level.

In reply, the Department stated (May 2025) that the recruitment of GRS was in progress and the vacant posts would be filled up.

2.10.7 Discrepancies in NREGASoft

As per Paragraph 11.3 of the Guidelines, a web-based Management Information System (MIS) *i.e.* NREGASoft was operational for consolidating the financial and physical information of the Scheme at the State, District, PS and GP levels. The MIS was used by both MoRD and the State as a tool for monitoring the implementation of the Scheme and for maintaining transparency by ensuring wider dissemination of information.

Audit noticed the following inconsistencies in various Reports generated in the NREGASoft, as discussed below:

(a) *Person days Projected and Generated*

The data for NREGASoft is entered from the GP level based on the records available with them. Based on these data, various Reports are generated. However, it was observed that the Reports of NREGASoft on “Person days projected” were inconsistent in two different Reports *viz.*, Report 2.1.1 on “Month-wise labour person days projected” and Report No. 2.2.2 on “Projected person days and person days generated”, pertaining to the same period. Similarly, the Report on “Person days generated” as per Report No. 5.1.1 and “Person days generated” as per Report No. 2.2.2, were different, as shown in **Table 2.6**.

Table 2.6: Discrepancies in data related to Person days projected in NREGASoft

Year	Person days projected as per Report 2.1.1	Person days projected as per Report 2.2.2	Person days generated as per Report 5.1.1	Person days generated as per Report 2.2.2
2019-20	No discrepancies		111389144	111293259
2020-21	No discrepancies		208074530	208036796
2021-22	185597691	202400000	197762682	197732343
2022-23	204195216	165000000	No discrepancies	
2023-24	191960153	175000000	No discrepancies	

(Source: MIS data of NREGASoft)

(b) *Discrepancies in Opening Balance and Closing Balance in NREGASoft*

Report No. 7.1.1 of NREGASoft on “Financial performance” showed opening balance (OB) and closing balance (CB) of fund position. There were discrepancies in OBs and CBs, at the State level, as detailed in **Table 2.7**.

Table 2.7: Discrepancies in OB and CB in NREGA Soft (₹ in crore)

Year	CB of previous year as per Report 7.1.1	OB of current year as per Report 7.1.1
2020-21	22.12	-32.79
2021-22	388.22	-60.92
2022-23	63.75	-124.71
2023-24	-122.79	-146.41

(Source: MIS data of NREGASoft and data received from PR&DW Department)

The above discrepancies made the data available in NREGASoft unreliable, raising doubts about transparency in the implementation of the scheme.

The Department accepted (May 2025) the facts and stated that the data is managed by the National Informatics Centre (NIC) and MoRD and any change

in data cannot be made at the State level. The reply is not acceptable since the information is available in the public domain and therefore, its reliability needs to be ensured to bring about transparency in the implementation of the scheme.

2.10.8 Records maintenance

GoI issued (July 2016) instructions for proper maintenance of records for the effective implementation of the Scheme and provided simplified formats for seven Registers, viz. (i) Job Card application, registration and issue Register, (ii) Gram Sabha and Social Audit meetings Register, (iii) Register for Demand, allocation of work and payment of wages, (iv) Register of works, (v) Register of fixed assets, (vi) Compliant Register and (vii) Material Register. These registers were to be maintained by the GPs to ease the functioning and reduce duplication of work without compromising on the quality and accuracy of information, especially those relating to entitlements of workers like application for Job Cards, demand for works and payment of wages.

Scrutiny of records (June 2024 to September 2024) revealed that out of 40 test-checked GPs, 18 GPs had maintained all the seven Registers, 02 GPs had also maintained these Registers except the Register of fixed assets and Complaint Registers and 20 GPs had not maintained any of these Registers.

Due to non/ improper maintenance of these required registers, transparency in implementation of the Scheme could not be ensured. Besides, the quality and accuracy of information was also compromised, especially relating to entitlements of workers, as noticed during audit.

In reply, the Department stated (May 2025) that the districts had been requested in October 2024 to maintain registers as part of good governance initiative.

Recommendation 2.6:

Monitoring through SEGC may be made effective with regular sittings, review of the recommendations of the Ombudsmen and Action Taken Report on the findings of Social Audit.

2.11 Conclusion

To provide at least 100 days of guaranteed wage employment in a financial year, to every rural Household whose adult members were willing to do unskilled manual work, the Department had not conducted any survey to identify new eligible households, include additional names in the Job Cards, and to correct the wrong data in existing MIS database. Bottoms up approach for preparation of labour budgets were not followed, and GPs were imposed targets from State level, rendering the demand-based employment into supply-based employment. Job Cards were not issued to the Households without assigning any reasons. Job Cards were not updated by including/ deleting the members of the HHs. Unemployment Allowances and compensation was not paid in case of non-provision of employment and delay in payment of wages. A large number of works remained incomplete rendering the expenditure unproductive. Instance of new works being taken up before completion of earlier works were noticed. In absence of regular meeting, the apex level governance through SEGC was

ineffective reducing accountability of executive to the legislature. Inadequate number of Social Audits, and poor response to its recommendations, had made the Social Audit less productive. The grievance redressal mechanism system was dysfunctional in absence of Vigilance and Monitoring Committee and non-appointment of Ombudsmen in all the districts.



Bhubaneswar
The 25 FEB 2026

(SUBU R.)
Principal Accountant General (Audit-I)
Odisha

Countersigned



New Delhi
The 26 FEB 2026

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

Appendices

Appendix 1.1
(Refer Paragraph 1.7.3)
Details of funds transferred to MPAs

Sl. No.	Name of MPA	Location	Total Receipt (₹)	Percentage of Receipt	Population	Percentage of population
1	Lodha Development Agency	Morada	21,10,33,354	5.85	5083	3.78
2	Kutia Kandha Development Agency	Belghar	16,19,68,917	4.49	8662	6.45
3	Kutia Kandha Development Agency	Lanjigarh	22,43,84,263	6.22	3548	2.64
4	Bonda Development. Agency	Mudulipada	26,94,81,843	7.47	13148	9.79
5	Dongaria Kandha Development Agency	Chatikona	32,80,28,375	9.09	7311	5.44
6	Lanjia Saura Development Agency	Puttasing	17,56,48,151	4.87	6774	5.04
7	Lanjia Saura Development Agency	Serango	24,68,63,150	6.84	13222	9.84
8	Didayi Development Agency	Kudumulugumma	19,36,63,564	5.37	10550	7.85
9	Paudi Bhuyana Development Agency	Rugudakudar	19,59,33,926	5.43	3945	2.94
10	Paudi Bhuyana Development Agency	Jamardihi	20,37,43,786	5.65	10871	8.09
11	Saura Development Agency	Chandragiri	23,08,09,766	6.40	6577	4.9
12	Hill Khadia & Mankidia Development Agency	Jashipur	23,61,17,382	6.55	3217	2.4
13	Tumba Development Agency	Tumba	23,45,52,178	6.50	11530	8.58
14	Juanga Development Agency	Gonasika	21,55,58,716	5.98	17852	13.29
15	Paudi Bhuyana Development Agency	Khuntgoan	12,55,73,965	3.48	5678	4.23
16	Dongaria Kandha Development Agency	Parsali	19,48,56,944	5.40	2816	2.1
17	Chukutia Bhunjia Development Agency	Sunabeda	15,92,72,772	4.42	3527	2.63
	Total		360,74,91,052	100.00	1,34,311	100
			360.75 crore			

(Source: Data furnished by 17 MPAs)

Appendix 1.2
(Refer Paragraph 1.11.3)

Data mismatch in number of villages/ hamlets, households and PVTG population, across the MPAs

S.No.	Name of the MPA	As per PMU OPELIP			Actual as per MPA data			Difference		
		No. of PVTG Villages	No. of PVTG Households	PVTG population	No. of PVTG Villages	No. of PVTG Households	PVTG population	No. of PVTG Villages	No. of PVTG Households	PVTG Population
1.	LDA Morada	11	1232	5083	12	1122	3707	1	-110	-1376
2.	HKMDA Jashipur	18	682	3217	18	646	1956	0	-36	-1261
3.	PBDA Khuntaogaon	30	1376	5678	22	1047	4406	-8	-329	-1272
4.	TDA Tumba	58	2668	11530	58	1137	4811	0	-1531	-6719
5.	KKDA Lanjigarh	25	930	3548	33	1443	6419	8	513	2871
6.	CBDA Sunabeda	18	831	3527	15	782	2917	-3	-49	-610
7.	KKDA Chatikona	62	1853	7311	63	1870	7374	1	17	63
8.	LSDA Puttasing	8	1301	6774	8	1301	6774	0	0	0
9.	KKDA Belghar	68	1661	8662	52	2043	9365	-16	382	703
10.	DKDA Parsali	23	730	2816	36	752	2780	13	22	-36
11.	DDA Kudumulguma	37	1907	10550	37	1828	7650	0	-79	-2900
12.	BDA Mudulipada	30	2365	13148	95	4018	14978	65	1653	1830
13.	SDA Chandragiri	32	1314	6577	32	1314	6817	0	0	240
14.	LSDA Seranga	33	2923	13222	24	1438	6180	-9	-1485	-7042
15.	PBDA Rugudakudar	32	1110	3945	32	1136	4252	0	26	307
16.	PBDA Jamaridhi	26	1842	10871	26	1997	8759	0	155	-2112
17.	JDA Gonasika	30	2583	17852	40	2583	12651	10	0	-5201
	Total	541	27308	134311	603	26457	111796	62	-851	-22515

(Source: Data furnished by OPELIP PMU and 17 MPAs)

Appendix 1.3
(Refer Paragraph 1.11.4)
Details of lack of common amenities in PVTG villages under 17 MPAs

Sl. No.	Name of the MPA	No. of villages	Amenities Available				Amenities Not available				Percentage of amenities not available			
			Motorable roads	Electricity	Safe DW	Tele-communication	Motorable roads	Electricity	Safe DW	Tele-communication	Motorable roads	Electricity	Safe DW	Tele-communication
1	BDA Mudulipada	77	75	65	68	48	2	12	9	29	3	16	12	38
2	BJDA Sukinda	13	10	10	12	2	3	3	1	11	23	23	8	85
3	CBDA Sunabeda	35	34	34	32	20	1	1	3	15	3	3	9	43
4	DDA Kudumulguma	51	41	49	26	16	10	2	25	35	20	4	49	69
5	DKDA, Chatikona	64	41	25	57	22	23	39	7	42	36	61	11	66
6	DKDA, Parsali	37	26	15	29	6	11	22	8	31	30	59	22	84
7	HKMDA Jashipur	40	39	39	29	30	1	1	11	10	3	3	28	25
8	JDA Dhenkanal	97	96	97	81	89	1	0	16	8	1	0	16	8
9	JDA Gonasika	104	87	91	92	86	17	13	12	18	16	13	12	17
10	KKDA, Belghar	100	74	75	60	17	26	25	40	83	26	25	40	83
11	KKDA Lanjigarh	279	228	242	230	174	51	37	49	105	18	13	18	38
12	LDA Morada	27	21	26	15	24	6	1	12	3	22	4	44	11
13	LSDA, Puttasang	153	135	149	127	52	18	4	26	101	12	3	17	66
14	LSDA Seranga	84	71	84	77	47	13	0	7	37	15	0	8	44
15	PBDA Banspal	172	147	165	154	126	25	7	18	46	15	4	10	27
16	PBDA Jamardihi	53	52	47	53	25	1	6	0	28	2	11	0	53
17	PBDA Khuntaagon	53	45	41	38	8	8	12	15	45	15	23	28	85
18	PBDA Rugudakudar	34	28	27	33	20	6	7	1	14	18	21	3	41
19	SDA Chandragiri	110	100	102	92	71	10	8	18	39	9	7	16	35
20	TDA Tumba	118	63	87	99	45	55	31	19	73	47	26	16	62
	Total	1701	1413	1470	1404	928	288	231	297	773	17	16	20	55

(Source: Data furnished by 17 MPAs)

Appendix 2.1
(Refer Paragraph 2.5)
Scope and methodology of Audit

Sl. No.	Zilla Parishad (5)	Panchayat Samiti (10)	Gram Panchayat (40)
1	Boudh	Kantamal	Kantamal, Uma, Gudvelipadar, Jogendrapur
		Boudh	Badhigaon, Brahmanipali , Mundapada, Roxa
2	Cuttack	Nischintakoili	Narendrapur , Natakai , Nagashpur, Santapur
		Banki	Berhampura, Golaganda , Kalapathara, Kanatapahara
3	Kalahandi	Koksara	Gambhariguda , Temra, Moter, Ladugan
		Narala	Bhanpur, Rakshi , Sergarh, Ulikupa
4	Malkangiri	Kalimela	Bhejangiwada, Mallavaram, Nalagunthi, Venkatapalam
		Chitrakonda	Badapada , Gajalmamudi , Gunthawada, Papermetla
5	Mayurbhanj	Jamda	Baddundu, Badkuleibira, Hensda, Tarana
		Betnoti	Ambagadia, Merda, Raghupur, Purinda

(Source: Stratified Random Sampling of the ZPs, PSs and GPs)

Appendix 2.2
(Refer Paragraph No. 2.8.2)
Providing employment on two Job Cards to one HH

District	Panchayat Samiti	Gram Panchayat	No. of HHs who were issued more than one Job Card	No. of Job Cards issued	No. of HHs who worked on more than one Job Card	Total Number of days worked through second Job Card	Irregular Payment through second Job Card (₹ in lakh)
Cuttack	Nichintakoili	Narendrapur	3	6	2	60	0.12
		Nagashpur	3	6	2	178	0.38
		Natakai	1	2	0	0	0
Malkangiri	Kalimela	Santapur	3	6	3	90	0.19
		Bejaniwada	6	12	6	281	0.57
	Chittrakonda	Venkatapallam	7	15	7	338	0.70
		Badapada	9	18	9	909	1.98
Boudh	Kantamal	Papermetla	4	8	4	249	0.55
		Kantamal	4	8	1	62	0.14
		Uma	2	4	1	91	0.19
		Sergargh	1	2	0	0	0
Kalahandi	Narla	Rakshi	4	8	1	66	0.13
		Ulikupa	1	2	0	0	0
Total			48	97	36	2,324	4.95

(Source: Records of the test-checked GPs)

Appendix 2.3
(Refer Paragraph No. 2.8.4.4)
Payments made in the name of dead beneficiaries

Sl. No.	Name of deceased person	Panchayat Samiti	Gram Panchayat	Date of death	Period shown as engaged after death	No. of days engaged	Amount paid (in ₹)
1	Rama Madkami	Kalimeala	Nalagunthi	07 September 2022	07-12 October 2022 (6 days)	6	1,332
2	Mala katam	Kalimela	Kattampali	11 January 2024	12-15 January 2024 (4 days), 19-21 January 2024 (3 days)	7	1,659
3	Ganga Madi	Kalimela	Venkatapallam	18 August 2021	17-30 December 2021 (12 days), 20 May 2022 to 02 June 2022 (12 days), 20 August 2022 to 02 September 2022 (11 days), 04-17 September 2022 (14 days), 03-16 December 2022 (12 days), 17-30 December 2022 (14 days), 03-09 January 2023 (4 days), 10-23 January 2023 (10 days), 11-24 April 2023 (12 days), 14 September 2023 (01 day)	102	22,755
4	Nayana Khara	Chittrakonda	Bhimaram	30 January 2018	04-10 June 2019 (7 days), 11-17 June 2019 (6 days), 18-24 June 2019 (6 days), 25 June 2019 to 01 July 2019 (6 days), 18-24 May 2020 (6 days), 25-28 May 2020 (3 days), 26-30 March 2022 (5 days), 06-11 April 2022 (6 days), 12-17 April 2022 (6 days), 18-24 April 2022 (6 days).	57	11,634
				Total		172	37,380

(Source: Records of the test-checked PSs Chittrakonda and Kalimela of Malkangiri district)

Appendix 2.4
(Refer Paragraph No. 2.9.4.1)
Inadmissible Works on development of playgrounds
(Amount ₹ in lakh)

Sl. No	District	Block	GP	Name of the Project	Estimated cost	Expenditure	Amount spent on restricted items	Remarks
1	Kalahandi	Koksara	Ladugaon	Improvement of Ainly Village Play Ground	5.00	4.69	1.44	Construction of <i>Pandal</i> was not admissible
2	Kalahandi	Koksara	Moter	Development of playground of Kusumkhunti village field	5.00	4.83	1.39	Construction of <i>Pandal</i> was not admissible
3	Kalahandi	Koksara	Gambhariguda	Construction of Playground at Chikili village	10.00	5.71	2.70	Construction of <i>Pandal</i> was not admissible
4	Mayurbhanj	Betnoti	Raghupur	Playfield at Baldiha Football Padia	5.00	4.36	2.23	Construction of sitting benches and Mandap were not admissible
5	Mayurbhanj	Betnoti	Raghupur	Playfield at NayaBasanta Pur.	5.00	4.80	2.54	Construction of sitting benches and Mandap were not admissible
				Total	30.00	24.39	10.30	

(Source: Records of test-checked Units)

Appendix 2.5
(Refer Paragraph No. 2.9.4.2)

Irregularities in land development works

(₹ in lakh)

Sl. No	District	Block	GP	Name of the Project	Estimated cost	Expenditure	Inadmissible expenditure in the name of land Development
1	Cuttack	Nischintakoili	Narendrapur	Land Development of Sidha Kalyan Mandap premises with guard-wall	7.00	4.32	4.32
2	Cuttack	Nischintakoili	Narendrapur	Land Development of GP office	5.00	1.69	1.69
3	Cuttack	Banki	Kalapathar	Land Development and peripheral development of Kalapathar in Dalapathar high school	3.00	1.64	1.64
4	Cuttack	Banki	kantapahara	Construction of rural park and land development near Isaneswar CC	10.00	2.03	2.03
5	Cuttack	Banki	Kalapathar	Land Development of Madhupalli club campus	4.00	0.7	0.7
6	Cuttack	Banki	Kalapathar	Improvement of play field and peripheral development of Kalapathar and Dalapathar highschool	10.00	5.33	5.33
				Total	39.00	15.71	15.71

(Source: Records of the test-checked GP of Banki PS and Nischintakoili PS of Cuttack)

Appendix 2.6
(Refer Paragraph No. 2.9.6)
Unfruitful expenditure on creation of assets

Sl. No	Name of the District	Name of the Block	Name of the GP	Name of the Project	Expenditure		Remarks
					Estimated Cost	(₹ in lakh)	
1	Boudh	Boudh	Brahmanipali	Construction of Model play field at Jadapal	4.93	3.93	The playfield was levelled and cement benches were installed but the playfield was not in use.
2	Boudh	Boudh	Mundapada	Development of Play field at Kamira	3.81	3.08	The playfield was developed, but was occupied and fenced with construction of gate by the forest department, as it was constructed on forest land. Further, the field was situated about 1km away from village and was not in use.
3	Boudh	Kantapada	Gudvelipadar	Construction of Rural Haat at Silatpada	9.00	4.70	The Rural Haat was constructed in an open field and was not used by the shopkeepers.
4	Mayurbhanj	Jamda	Hensda	Construction of Staggered trench at Tiringkochoa of village Jatapani	4.88	3.11	The staggered trenches were constructed in a plain area (having little slope) by not recharging the ground water.
5	Mayurbhanj	Jamda	Hensda	Construction of Check Dam at Dhalpur Charanbeda	8.00	6.34	The check dam was constructed in an area without having any regular flow of water like canal, small river etc, to check the flow of water and to facilitate the irrigation in catchment area. The project was executed without selecting a feasible site and hence, was not in use.
Total					30.62	21.16	

(Source: Records of test-checked GPs and Joint Physical Inspection)

Glossary

Glossary of Abbreviations

Abbreviation	Description
A&FE	Agriculture and Farmers' Empowerment
AAP	Annual Action Plan
APO	Additional Programme Officer
AWC	Anganwadi Center
AWPB	Annual Work Plan and Budget
BDA	Bonda Development Agency
BDO	Block Development Officer
BJDA	Birhor & Juang Development Agency
BS	Baseline Survey
CBDA	Chukitia Bhujia Development Agency
CCD	Conservation-cum-Development
CDO-cum-EO	Chief Development Officer cum Executive Officer
CRP	Community Resource Person
CSS	Centrally Sponsored Scheme
CVC	Central Vigilance Commission
DDA	Didayi Development Agency
DKDA	Dangaria Kandha Development Agency
DLC	District Level Committee
DLTC	District Level Technical Committee
DPC	District Programme Coordinator
DQM	District Quality Monitoring
DWO	District Welfare Officer
EPIC	Electronic Photo Identity Card
F&E	Forest and Environment
FARD	Fisheries and Animal Resources Development
FIR	First Information Report
FNGO	Facilitating Non-Government Organisation
FTO	Fund Transfer Order
FY	Financial Year
GB	Governing Body
GoI	Government of India
GoO	Government of Odisha
GPLF	Gram Panchayat Level Federation
GPNA	Gram Panchayat Nutrition Assistant
GPs	Gram Panchayats
GRS	Gram Rozgar Sevak
GS	Gram Sabha
HH	Household
HKMDA	Hill Kharia Mankadia Development Agency

Abbreviation	Description
IEC	Information, Education and Communication
IFAD	International Fund for Agricultural Development
IGA	Income Generation Activity
IMR	Infant Mortality Rate
ITDA	Integrated Tribal Development Agency
JDA	Juang Development Agency
JPI	Joint Physical Inspection
KKDA	Kutia Kandha Development Agency
LDA	Lodha Development Agency
Logframe	Logical Framework
LSDA	Lanjia Soura Development Agency
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MIS	Management Information System
MoRD	Ministry of Rural Development
MOTA	Ministry of Tribal Affairs
MoU	Memorandum of Understanding
MPA	Micro Project Agency
MPR	Monthly Progress Report
MR	Muster Roll
MSPK	Matru Sishu Poshan Kendra
NC	Nutrition Co-ordinator
NeFMS	National Electronic Fund Management System
NHM	National Horticulture Mission
NIC	National Informatics Centre
NRC	Nutrition Resource Centre
NREGA	National Rural Employment Guarantee Act
OCCF	Odisha Consumers Cooperative Federation
OGFR	Odisha General Financial Rules
OPELIP	Odisha PVTG Empowerment and Livelihood Improvement Programme
OPNIP	Odisha PVTG Nutrition Improvement Programme
OPWD	Orissa Public Works Department
PBDA	Paudi Bhuyan Development Agency
PD	Programme Director
PEF	PVTG Empowerment Fund
PEO	Panchayat Executive Officer
PG	Producer Group
PHRS	Public Health Resource Society
PIC	Programme Implementation Committee

Abbreviation	Description
PMC	Programme Management Committee
PMU	Programme Management Unit
PO	Programme Officer
PR&DW	Panchayati Raj and Drinking Water
PRI	Panchayati Raj Institution
PSC	Programme Steering Committee
PS	Panchayat Samiti
PTG	Primitive Tribal Group
PVTG	Particularly Vulnerable Tribal Group
RCMS	Regional Cooperative Marketing Society
RKVY	Rashtriya Krishi Vikas Yojana
RO	Reverse Osmosis
SAM	Severe Acute Malnutrition
SCA	Special Central Assistance
SCSTRTI	Scheduled Castes and Scheduled Tribes Research and Training Institute
SDA	Soura Development Agency
SEGC	State Employment Guarantee Council
SEGF	State Employment Guarantee Fund
SHG	Self-help Group
SLPSC	State Level Programme Steering Committee
SNA	State Nodal Account
SPC	State Programme Coordinator
SQM	State Quality Monitor
SSD Department	ST & SC Development, Minorities & Backward Classes Welfare Department
TDA	Tumba Development Agency
TSS	Tribal Sub-Scheme
UC	Utilisation Certificate
UG	User Group
VAW	Village Agriculture Worker
VDA	Village Development Association
VDC	Village Development Committee
VDP	Village Development Plan
WBM	Water Bound Macadam
ZP	Zila Parishad

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