



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

**Report of the
Comptroller and Auditor General of India
on Performance Audit of
Management of Odisha Mineral Bearing Areas
Development Corporation Funds
for the year ended March 2022**



**Government of Odisha
Report No. 11 of the year 2024**

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Comptroller and Auditor General of India
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Areas Development Corporation Funds
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Department of Planning and Convergence**

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2022 has been prepared for submission to the Governor of the State of Odisha under Article 151 of the Constitution of India.

This Performance Audit on “Management of Odisha Mineral Bearing Areas Development Corporation Funds” was conducted with a focus on the planning process for selection of OMBADC projects in the mining affected areas, the financial Management of OMBADC projects, implementation of the projects and to assess the desired outcome, monitoring mechanism and internal control system.

This Performance Audit covered the period 2017-22 and contains significant findings of audit of test-checked projects funded by OMBADC in six sectors *i.e.*, Housing, Skill Development, Drinking Water, Education, Health and Nutrition.

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

EXECUTIVE SUMMARY

As per the orders of the Hon'ble Supreme Court of India (27 January 2014), 50 per cent of the additional Net Present Value (NPV) recovered by the State of Odisha, from mining lessees, for the use of forest land for non-forest purposes, would be used for undertaking specific tribal welfare and area development works, so as to ensure inclusive growth of the mineral bearing areas. Accordingly, the Odisha Mineral Bearing Areas Development Corporation (OMBADC) was created (2 December 2014) for undertaking specific tribal welfare and area development works in the mineral bearing areas. For the above purpose, the Chief Executive Officer (CEO), Adhoc CAMPA released (10 January 2015) ₹869.42 crore (phase-I) to the OMBADC. Further, as per the orders of the Hon'ble Supreme Court of India (August 2017), any iron ore or manganese ore, extracted contrary to Environmental Impact Assessment (EIA) Notifications, 1994 or 2006, would constitute illegal or unlawful mining and compensation, at 100 per cent of the price of the mineral, should be recovered from 2000-01 onwards. As on 31 March 2022, ₹16,833.54 crore had already been deposited by the mining lessees, with the OMBADC fund, as compensation money (phase-II) for developmental work in the mining affected areas.

This Performance Audit on “Management of Odisha Mineral Bearing Areas Development Corporation Funds” was conducted with a focus on the planning process for selection of OMBADC projects in the mining affected areas; the financial Management of OMBADC projects; the implementation of projects; assessment of the desired outcome; and the monitoring mechanism and internal control system.

Planning and Sanction of Projects

The OMBADC approved (February 2016) three sectors, namely Housing, Drinking Water and Sanitation, Farm Forestry/ Social Forestry, in regard to projects/ works to be undertaken for implementation, in the mining affected areas of eight districts, of the adhoc CAMPA fund, in phase-I. Similarly, in phase-II, out of the compensation fund, works/ projects relating to eight activities, namely livelihood intervention, health, water supply and sanitation, education, special programmes for development of women and children, entrepreneurial development of local people, communication and infrastructure projects, and agro-silvicultural based livelihood projects were approved (January 2018).

The Hon'ble Supreme Court of India, in its judgement (Para 215) directed (02 August 2017) that the SPV, OMBADC would undertake specific tribal welfare and area development works, so as to ensure inclusive growth of the mineral bearing areas. While taking up such projects/works, a bottom-up planning and participatory approach, was to be followed.

The Project Monitoring Unit (PMU) of OMBADC submitted (June 2020) the perspective plan, containing the shelf of proposals, for the next 10 years.

However, this plan had not been approved by OMBADC (as of April 2023) for implementation.

Non-approval of the perspective plan resulted in lack of priority due to non-preparation of annual implementation plan for taking up appropriate year-wise interventions, due to which, the intended projects, for tribal welfare, could not be implemented in a systematic manner.

The Central Empowered Committee, in its report dated 17 January 2018, recommended collection of compensation amounts from mining lease holders who had violated the FC Act and/ or the EC. However, the Steel and Mines Department had not taken any effective steps to recover the amount of ₹3,966.34 crore (with interest), due as compensation from the defaulting mining lessees, although six years had been lapsed (as of January 2023).

As per para 215 of judgement (August 2017) of the Hon'ble Supreme Court, the Board of Directors (BoD) was responsible for receiving grants/funds and their custody; as also for approving the Annual Budget Estimates and sanctioning the expenditure within the limits of the Budget. However, annual budgets had not been prepared, by the OMBADC, upto FY 2019-20, due to which huge unspent balances had accumulated at the end of each year.

The OMBADC had not reviewed the money that remained unspent with the PIAs, due to which the actual unspent money, parked with them as well as the interest earned and refunded, could not be ascertained by Audit. No such review report was forwarded to the Planning and Convergence Department every year, although this was stipulated in the relevant guidelines of the Finance Department.

Drinking Water Supply Sector

Prior to sanctioning projects under the drinking water sector, OMBADC had not assessed the actual requirement of projects in the eight mining affected districts, keeping in view, the other Central and State rural water supply schemes already being implemented. Accordingly, submission of proposals for new water supply projects, out of OMBADC funds was not need-based. Such funds could have been utilised in other priority sectors, for tribal welfare and selection of projects, without need assessment, was contrary to the objectives of the OMBADC funds.

No feasibility study had been done by the Department, for 27 small PWS projects, covering 49 villages (Angul 12, Mayurbhanj 03, Jajpur 19 and Koraput 15), before submitting project proposals. As a result, after incurring expenditure of ₹1.73 crore, in four districts, the works had been stopped midway, due to non-available of sources, which had led to loss of OMBADC funds.

It was noticed that no projects had been approved for 12 villages of the Angul district and 15 villages of the Koraput district, from the funds received in phase-II. Thus, 27 mining affected villages of two districts, had been deprived of clean drinking water, through piped water supply projects.

In phase-I, 34 small projects had covered 50 villages, which were also part of eight mega PWS projects, undertaken under phase – II, out of the compensation fund. Audit conducted joint physical verification (JPI), with the representative of

Superintending Engineer, Rural Water Supply and Sanitation, on 03 December 2022, of 86 households of five villages¹ and noticed that two Functional Household Tap Connections (FHTCs) had been provided to each household, i.e., one for the small project and another for mega PWS.

There was overlapping of villages covered under small PWS projects out of the adhoc CAMPA fund, and mega PWS projects, out of compensation funds, in Keonjhar, which rendered expenditure of ₹12.45 crore avoidable, due to lack of planning and monitoring, as these funds could have been gainfully utilised for other mining affected villages.

In the Bhuban block, under the Dhenkanal district, the selection of site, preparation of DPR and survey by the contractor for intake well, prior to submission of the bid, had not been done in consultation with the villagers, stakeholders and representatives of the PRI, due to which the site was changed thrice, and completion of the project was delayed by 18 months, with an additional cost of ₹6.16 crore. Similarly, frequent changes of location of the intake well, at Hatadihi, under RWSS, Anandapur, resulted in avoidable extra expenditure of ₹4.99 crore and delayed provision of clear drinking water to 200 villages.

Although 15 small PWS projects executed under two sampled divisions², had been completed, payments had not been made towards operation and maintenance (O&M) costs. The EEs had failed to maintain these PWS projects, as also to ensure supply of clean drinking water to all households therein, rendering doubtful the longevity and sustainability of these projects, costing ₹14.03 crore, in the Jajpur and Anandpur divisions.

The AE, RWSS, Jajpur, observed (April 2022) that water was not reaching 11 villages, after five months of issue of certificate of completion. It was also found that, in the Kalangiata village, the contractor had not extended tap connections. Thus, the benefit of clean drinking water had not reached targeted beneficiaries, defeating the objectives behind setting up of mega PWS projects.

Increase of the price break-up percentage, for four items of works, in the 21st RA bill, in violation of the contract agreement, resulted in excess payment of ₹15.16 crore, to the concerned contractor, under the Sukinda block.

Housing Sector

The selection of eligible beneficiaries for pucca houses, was not carried out by using the bottom-up approach. Further, targets were set by the DRDA, without obtaining ground level data from the blocks, due to which, the targets set by the PD, DRDA were modified multiple times.

An amount of ₹13.94 crore had remained unutilised (as of March 2022), under the housing sector. However, it had not been refunded to the OMBADC, violating the decision of BoD. Out of the 29,829 pucca houses targeted, for completion by

¹ Barigon, Jhunjhuna, Kaniari, Matagadia and Mithogaon

² EEs, RWSS, Anandpur and Jajpur

May 2018, 979 houses had remained incomplete, as of October 2022. Due to lack of monitoring, although the houses were incomplete (as observed during joint physical verification), payment had been made on the basis of manipulated photographs.

Skill Development Sector

Out of 200 candidates enrolled for skill development training, 191 candidates (95.50 per cent) were not from identified villages of the mineral bearing areas. Hence, the earmarked SC/ST youth, of the mining affected districts, were deprived of the benefits of skill development training. Further, expenditure of ₹2.16 crore, incurred for imparting training to 191 candidates not from the identified villages of the mineral bearing areas, was irregular.

Further, the Project Implementing Agency (PIA) had failed to provide long-term and effective placement to the trained candidates of the mineral bearing areas.

Health Sector

The Oversight Authority asked (July 2019) the Chief District Medical Officers of the Sundargarh and Keonjhar districts, to upgrade the facilities of the district hospitals through OMBADC funds, so that tribals need not come to Cuttack or Bhubaneswar for treatment. However, non-assessment of the availability of suitable land for execution, the component, Establishment of modular ICU, modular operation theatre and Central Sterile Supply Department was dropped.

The H&FW Department had submitted a revised proposal of ₹36.76 crore, in March 2021, for additional civil works in the Mayurbhanj District. Though the earlier proposal had been submitted with a certificate of non-duplication given by the responsible authorities, components worth ₹10.49 crore had already been proposed under other schemes (and were, accordingly, in duplication), resulting in their being dropped, at a subsequent stage.

Out of the total approved budget in the health sector, only ₹229.98 crore (34.90 per cent), had been allocated to the mining blocks of four mining districts, with the balance being allocated for the non-mining blocks. This implied allocation of the compensation money for the health sector, in the mining blocks, lower, despite direct health related effects on the local inhabitants, due to illegal mining.

Silicosis screening could not be started in the four mining affected districts, though it was essential for people living in mining areas.

Nutrition Sector

Out of the 1,969 Anganawadi Centres (AWCs) targeted, the construction work was completed in only 620 AWCs (31.48 per cent) (as of December 2022). Out of the total 1,408 Model AWCs, proposed for construction in the Keonjhar and Sundargarh districts, only 485 AWCs (34 per cent) had been allocated to mining affected blocks, with the remaining 923 (66 per cent) AWCs having been allocated to non-mining affected blocks. Against the total target of construction of 3,900

toilets, in four districts³, only 1,488 (38.15 per cent) had been completed. Further, DSWOs, Keonjhar and Jajpur, had not completed the construction of even a single toilet in the AWCs, against the target of 1,332 toilets. Similarly, only 795 kitchens had been constructed as against the target of 2,239 kitchens.

Under the DSWO, Keonjhar, 651 creches were planned to be operationalised under OMBADC. However, the preparation of additional guidelines, for management of crèches, was still in progress, at the Department level (as of January 2023). Thus, the crèches had not been operationalised, even after a lapse of three years from the implementation of the project.

Education Sector

The State Project Director, Odisha School Education Programme Authority (OSEPA), had submitted DPRs, for elementary and secondary and Odisha Adarsha Vidyalayas, with delays ranging from three to 37 months. In case of DPRs for the High School transformation programme under 5T, neither had any specific directions been issued in regard to the timelines for submission of DPRs, nor had any timelines been set for completion of projects.

The District Project Coordinator (DPC), Jajpur, had submitted (November 2020) a detailed project list, of 78 elementary and 20 secondary schools, for infrastructure development. 31 elementary and secondary schools had, however, not been included in the list, even though, these schools had no basic minimum facilities (toilet, drinking water and electricity).

The School & Mass Education Department decided (August 2020) to form a technical committee, under the Chairmanship of the CEO, Odisha Computer Application Centre (OCAC), to execute the work of Information and Communications Technology (ICT) labs and smart classes, at elementary and secondary schools, under OMBADC funds. OCAC had, however, not taken any initiative, for installation of the ICT lab, in schools, till the date of audit (December 2022) even after a lapse of more than two years from the formation of the committee.

The agency M/s Uneecops Technologies Limited had not conducted any site survey, though this had been stipulated in the Request for Proposal, due to which, 688 smart class equipments, in 242 schools, had not been installed, owing to non-readiness of the sites for installation (as of September 2022).

There were no internet connections, due to which smart classes and e-library could not be utilised, in the schools of the Sukinda Block under Jajpur district.

Monitoring and Supervision

The OMBADC's main role was in regard to designing, co-ordination, facilitation, monitoring, supervision and impact assessment, in regard to projects taken up in the mining affected areas. However, OMBADC had failed to establish either a State level monitoring unit, or district level monitoring sub-committees.

³ i) Jajpur, ii) Keonjhar, iii) Mayurbhanj and iv) Sundargarh

As specified by the Government of Odisha, a full time CEO was required for supervision and monitoring of the operations of the OMBADC. However, no full-time CEO had been appointed as of the date of Audit (November 2023), though six CEOs of OMBADC had been appointed, on an additional charge basis, since its inception. Moreover, the CEO, OMBADC had informed (June 2021) the BoD, regarding the difficulties being faced in regard to reviewing and monitoring the progress of all projects, in detail. Accordingly, a sub-committee had been constituted, only in June 2021, to oversee the implementation of the project after a lapse of more than six years from the inception of the OMBADC.

Clause vi of the guidelines for project monitoring, issued by the OMBADC, states that a record of any permanent or semi-permanent asset, created out of the funds provided by the OMBADC for the project, should be maintained and audited by an agency or the Department. Six mega rural PWS projects had been implemented between March 2018 and December 2019, in two districts⁴. However, only two of these mega projects had been completed as of September 2021, out of which, in one mega project⁵, no asset register had been maintained. The EE, RWSS Division, Jajpur, had maintained an asset register for one mega PWS project and had not maintained any asset registers for two small PWS projects. As multiple schemes were in operation for drinking water, in the absence of asset registers for OMBADC work, it was difficult to validate the project achievements. Further, the chances of duplication of similar assets, in different schemes, could not be ruled out. The other three implementing agencies⁶ had not maintained any asset registers.

The implementing agencies, in the test-checked districts, had not prepared any database for the land acquired/ alienated for construction of the PWS projects, out of the OMBADC Funds.

⁴ Jajpur and Keonjhar

⁵ EE, RWSS Division, Anandpur

⁶ 1) EE, RWSS Division, Anandpur; 2) EE, PH – II Division, Cuttack, and 3) GM, WATCO, Keonjhar

Recommendations:

Government may consider:

- 1. Approving the perspective plan, containing the shelf of proposal of projects, in a timely manner, for implementation in the mining affected areas.*
- 2. Pursuing with the defaulting line departments to submit the pending DPRs, for the projects to be undertaken by them, for the development of mining affected areas.*
- 3. To take effective steps, to recover the balance amount of compensation money from the mining lessees.*
- 4. Conducting reviews of the unspent balances, at the end of each financial year, with all PIAs and forwarding the consolidated review report in this regard, to the Planning & Convergence (P&C) Department.*
- 5. Appointing a full-time CEO and constituting sub-committees, to oversee the implementation of the projects.*
- 6. Assessing the actual requirement of drinking water projects, in the mining affected areas of the districts covered under OMBADC, and expediting the works under drinking water projects.*
- 7. Conducting proper surveys, before taking up piped water supply projects (PWS), to avoid overlapping of villages under small PWS and mega PWS, and also ensuring inclusion of the villages of mining affected areas only, in the drinking water supply projects funded by OMBADC.*
- 8. OMBADC needs to devise a monitoring mechanism to ensure proper Operation and Maintenance for functioning of the projects upto their design life.*
- 9. Preparing DPRs and conducting proper surveys before selecting sites for intake wells for water supply projects, to avoid changes in location of sites and the consequent extra expenditure.*
- 10. Inviting tenders in a timely manner, for all projects, to avoid delays in the commencement of water supply projects.*
- 11. Online maintenance of asset registers with proper validation to avoid duplication of resources created under various projects.*
- 12. Ensuring that the executing agencies maintain asset registers and land records.*
- 13. Developing a robust system of monitoring and supervision, to avoid payments on the basis of manipulated photographs of the pucca houses and fixing responsibility on the officials of Panchayati Raj and Drinking Water Department, responsible for misreporting.*

- 14. Selecting candidates for skill development training, through OMBADC funds, only from the mining affected areas and not from non-mining areas.*
- 15. Ensuring completion of training to the candidates within the stipulated time, set up a mechanism for ongoing evaluation of the training being imparted and render assistance for placement of the trained candidates.*
- 16. Including requirements of the primary health sector, in the DPRs, and planning projects using a bottom-up approach, to avoid dropping of projects in later stages.*
- 17. Posting of required number of doctors, in the hospitals of the mining affected districts.*
- 18. Starting silicosis screening, in all mining affected districts.*
- 19. Setting up a project monitoring unit at the State level, for monitoring and supervision of the projects under the nutrition sector.*
- 20. Issuing specific directions in regard to the timelines for submission of DPRs and completion of projects, under High School Transformation, under 5T.*
- 21. Implementation of an online UC management system, with supporting documentation for effective monitoring of utilisation of funds.*
- 22. Fixing responsibility on the official responsible for misreporting the actual execution of projects and manipulating information in the monthly progress reports.*
- 23. Ensuring that no school lacking basic infrastructure, in the mining affected areas, is left out for upgradation.*
- 24. Providing necessary internet connections to all schools, so that the schools are able to use the smart classrooms and e-library.*

CHAPTER-1

INTRODUCTION

This chapter provides an introduction to the transfer of additional Net Present Value and realisation of compensation from the mining lease holders, who had extracted iron ore and manganese, in violation of the Environment Impact Assessment Notifications 1994 or 2006 and the Forest Conservation Act. It describes the constitution of the Special Purpose Vehicle; coverage of districts affected by mining; and execution of projects through various line departments, out of the funds received by the SPV, in the first and second phases. It also delineates the objectives of this performance audit, the audit criteria referred to, the scope of the audit, and the methodology adopted for audit.

1. Introduction

As per the orders⁷ of the Hon'ble Supreme Court of India (27 January 2014), 50 per cent of the additional Net Present Value (NPV)⁸, recovered by the State of Odisha, from the mining lessees, would be used by the State, through a Special Purpose Vehicle (SPV), for undertaking specific tribal welfare and area development works, so as to ensure inclusive growth of the mineral bearing areas.

Pursuant to the above orders, the Government of Odisha (GoO), in consultation with the Central Empowered Committee (CEC), which was established by the Hon'ble Supreme Court of India to conduct an exhaustive fact-finding study of the illegal mining in the Keonjhar, Sundargarh and other districts of the Odisha, prepared (March 2014) a Scheme, captioned "Setting up of Special Purpose Vehicle for undertaking specific tribal welfare and area development works", for ensuring inclusive growth of the mineral bearing areas in the State. Hon'ble Supreme Court approved (24 April 2014) the Scheme and ordered the Adhoc-CAMPA to transfer to the SPV, 50 per cent of additional amount of NPV for undertaking tribal welfare development works. Accordingly, the Odisha Mineral Bearing Development Corporation (OMBADC) was created (2 December 2014), under Section 8 of the Companies Act, 2013, as a Special Purpose Vehicle.

The main objectives of OMBADC, as envisaged in its Memorandum of Association (MoA), were to: (i) implement projects for tribal welfare and area development, to promote inclusive growth in the mineral bearing areas (ii) undertake projects for holistic development, livelihood improvement, improvement of healthcare, sanitation, education and sports, in the areas impacted by mining activities and (iii) accept and mobilise funds for taking up activities for the inclusive development of mineral bearing areas, as also for socio-economic

⁷ This Supreme Court order is applicable to Odisha only

⁸ A mandatory one-time payment, that a user has to make, for diverting forestland, for non-forest use, under the Forest (Conservation) Act, 1980

and education development of the communities and persons affected by mining activities, as per applicable laws.

For the above purposes, the Chief Executive Officer (CEO), *Adhoc-CAMPA*⁹, released (10 January 2015) ₹869.42 crore (phase-I)¹⁰ to the OMBADC. The SPV covered the areas of eight mineral bearing districts, namely Angul, Dhenkanal, Jajpur, Jharsuguda, Keonjhar, Koraput, Mayurbhanj and Sundargarh, based on the areas covered by mining activities, backwardness of the areas and their contribution to the additional NPV.

Further, as per the orders of the Hon'ble Supreme Court of India (August 2017), any iron ore or manganese ore, extracted contrary to the Environmental Impact Assessment (EIA) Notifications, 1994 or 2006, would constitute illegal or unlawful mining. For such illegal mining, compensation, at 100 *per cent* of the price of the mineral, was to be recovered from FY 2000-01 onwards, if the extracted mineral had been disposed of. This compensation was to be paid within 31 December 2017. The compensation so received, was to be kept with the SPV, for undertaking specific tribal welfare and area development works, in the mining affected areas. Accordingly, the Director of Mines (DoM), Odisha, directed (September 2017) all Mining Circles, to issue demand notices, to the respective mining lease holders, of Iron and Manganese ore.

The CEC, in its 4th report of 2018 (17 January 2018), assessed that compensation totaling ₹19,174.38 crore, was to be recovered from 131 mining lessees, who had violated the Environmental Clearance (EC) and/ or the Forest Clearance (FC), in their mining activities, pertaining to iron ore and manganese ore. As on 31 March 2022, ₹16,833.54 crore had been deposited by the defaulting mining lessees, with the OMBADC fund, as compensation money (phase-II) for illegal mining.

Subsequently, the Hon'ble Supreme Court of India appointed (29 October 2017) an Oversight Authority¹¹ (OA), to oversee the work and progress carried out by the SPV and directed that priority would be given to utilise the recovered amount, in the districts of Keonjhar, Mayurbhanj, and Sundargarh. However, the OA was at liberty to ensure that the funds were utilised for nearby districts, if it was necessary, and if the nearby districts had been affected by pollution caused by mining activities. Accordingly, the OA included (December 2018) two blocks (Sukinda and Danagadi), under the Jajpur district and approved (03 January 2020)

⁹ Based on the recommendation of the Central Empowered Committee set up by Hon'ble Supreme Court of India, Compensatory Afforestation Fund was created in October 2002 in which all monies received from the user agencies towards compensatory afforestation, additional compensatory afforestation, net present value of the forest land were to be deposited

¹⁰ Amount received towards 50 per cent of the additional NPV was defined as Phase-I and amount received through compensation for illegal mining was defined as Phase-II by the OMBADC

¹¹ The Hon'ble Supreme Court on 29 October 2018 appointed Hon'ble Mr. Justice A. K. Patnaik, retired judge of the Supreme Court as an Oversight Authority to consider the effective functioning of the SPV. He is at liberty to take the assistance of any one or two officers or retired High Court judges of his choice to assist him for this purpose. He may issue suitable communication to the State Government including the OMBADC

coverage of the districts of Deogarh, Jharsuguda and Jajpur, as well as the Pallahara block of Angul district and the Kankadahad block of Dhenkanal district.

1.1 Implementation of sector-wise projects under OMBADC

As per the information furnished to Audit, the OMBADC had approved 51 projects for ₹17,350.58 crore as of 31 March 2022 under *Adhoc* CAMPA and compensation fund. Out of these, four projects from *Adhoc* CAMPA fund, had been approved under four sectors¹², and funds amounting to ₹1,062.33 crore were released for their implementation. All the four projects were under progress. Similarly, 47 projects, had been approved, under nine sectors¹³, out of the Compensation fund, and ₹6,226.79 crore had been released for execution of projects. As of 31 October 2022, only one project had been completed under the education sector, 45 projects were under progress and one project had not been started. However, no project had been approved under the Research sector, as of 31 March 2022.

Further, it was observed that, out of the amount of ₹1,062.33 crore, released under *adhoc* CAMPA, ₹977.64 crore had been utilised, leaving an unspent balance of ₹84.69 crore, as of 31 March 2022. Similarly, out of the amount of ₹6,226.79 crore, released under the Compensation fund, as of 31 March 2022, ₹4,401.77 crore had been utilized, leaving an unspent balance of ₹1,825.02 crore. Details of the district-wise and sector-wise projects approved; status of projects; and the funds released and utilized, are given in Tables 1.1 to 1.6.

Table 1.1: District-wise projects, approved out of the *adhoc* CAMPA fund, as of 31 March 2022

(in numbers)

Sl. No.	District	Drinking Water	Education (Skill Development)	Housing	Social Forestry and Farm Forestry	Total
1	2	3	4	5	6	7
1	Angul	1	1	1	1	4
2	Dhenkanal					
3	Jajpur					
4	Jharsuguda					
5	Keonjhar					
6	Koraput					
7	Mayurbhanj					
8	Sundargarh					
	Total	1	1	1	1	4

¹² 1) Drinking water 2) Education (Skill Development) 3) Housing and 4) Social Forestry and Farm Forestry

¹³ 1) Drinking water 2) Education (Skill Development) 3) Health 4) Livelihood 5) Infrastructure and Connectivity 6) Environment protection 7) Water Conservation and Soil & Moisture conservation 8) Research project and 9) Sports

Table 1.2: District-wise projects, approved out of the Compensation Fund, as of 31 March 2022

(in numbers)

Sl. No.	District	Drinking Water	Education	Health	Livelihood	Infrastructure and connectivity	Environment protection	Water conservation and soil and moisture conservation	Research project	Sports	Total
1	2	3	4	5	6	7	8	9	10	11	12
1	Keonjhar	7	12	7	12	2	2	5	-	-	47
2	Sundargarh								-	-	
3	Mayurbhanj								-	-	
4	Jajpur								-	-	
5	Jharsuguda	-		-		-	-	-	-	-	
6	Deogarh	-		-		-	-	-	-	-	
7	Dhenkanal	-		-		-	-	-	-	-	
8	Angul	-		-	-	-	-	-	-	-	
9	Koraput	-	-	-	-	-	-	-	-	-	
	Total	7	12	7	12	2	2	5	-	-	47

Table 1.3: Sector-wise status of projects executed by line departments, out of the adhoc CAMPA fund, as of 31 October 2022

(in numbers)

Sector	Status of the project	Angul	Dhenkanal	Jajpur	Jharsuguda	Keonjhar	Koraput	Mayurbhanj	Sundargarh	Total
1	2	3	4	5	6	7	8	9	10	11
Drinking Water	In progress	1								1
Education (Skill Development)	In progress	1								1
Housing	In progress	1								1
Social Forestry	In progress	1								1
Total	In progress	4*								4

* All the four projects in four sectors, for all eight districts, sanctioned out of the adhoc CAMPA fund, as shown in Table 1.1, were in progress as of 31 October 2022

Table 1.4: Sector-wise status of projects executed by line departments, out of the Compensation Fund, as of 31 October 2022

(in numbers)

Sector	Status of the Project	Keonjhar	Sundargarh	Mayurbhanj	Jajpur	Jharsuguda	Deogarh	Dhenkanal	Angul	Koraput	Total
Drinking Water	Completed	1				-	-	-	-	-	1
	In progress	6				-	-	-	-	-	6
	Not Started	0				-	-	-	-	-	0
Education	Completed	0							-	-	0
	In progress	12							-	-	12
	Not Started	0							-	-	0
Health	Completed	0				-	-	-	-	-	0
	In progress	7				-	-	-	-	-	7
	Not Started	0				-	-	-	-	-	0
Livelihood	Completed	0							-	-	0
	In progress	12							-	-	12
	Not Started	0							-	-	0

Sector	Status of the Project	Keonjhar	Sundargarh	Mayurbhanj	Jajpur	Jharsuguda	Deogarh	Dhenkanal	Angul	Koraput	Total
Infrastructure and connectivity	Completed	0				-	-	-	-	-	0
	In progress	2				-	-	-	-	-	2
	Not Started	0				-	-	-	-	-	0
Environment Protection	Completed	0				-	-	-	-	-	0
	In progress	1				-	-	-	-	-	1
	Not Started	1				-	-	-	-	-	1
Water conservation	Completed	0				-	-	-	-	-	0
	In progress	5				-	-	-	-	-	5
	Not Started	0				-	-	-	-	-	0
Research project	Completed	-	-	-	-	-	-	-	-	-	-
	In progress	-	-	-	-	-	-	-	-	-	-
	Not Started	-	-	-	-	-	-	-	-	-	-
Sports	Completed	-	-	-	-	-	-	-	-	-	-
	In progress	-	-	-	-	-	-	-	-	-	-
	Not Started	-	-	-	-	-	-	-	-	-	-
Total	Completed	1				-	-	-	-	-	1
	In progress	45				-	-	-	-	-	45
	Not Started	1				-	-	-	-	-	1

* Shaded cells indicate that no projects were sanctioned for these districts and sectors.

Table 1.5: Release and utilisation of funds, out of the *adhoc* CAMPA fund, as of 31 March 2022 (₹ in crore)

Sector	Funds	Angul	Dhenkanal	Jajpur	Jharsuguda	Keonjhar	Koraput	Mayurbhanj	Sundargarh	Deogarh	Total
Drinking water	Released	600.00									600.00
	Expenditure	531.85									531.85
	Balance	68.15									68.15
Education	Released	2.04									2.04
	Expenditure	1.52									1.52
	Balance	0.52									0.52
Housing	Released	402.03									402.03
	Expenditure	388.09									388.09
	Balance	13.94									13.94
Social forestry	Released	58.26									58.26
	Expenditure	56.18									56.18
	Balance	2.08									2.08
Total	Released	1,062.33*									1,062.33
	Expenditure	977.64									977.64
	Balance	84.69									84.69

(* Sector-wise total funds released are given in Table, as the information on district-wise funds released could not be furnished by OMBADC)

Table 1.6: Release and utilisation of funds, out of the Compensation Fund, as of 31 March 2022 (₹ in crore)

Sector	Funds	Angul	Dhenkanal	Jajpur	Jharsuguda	Keonjhar	Koraput	Mayurbhanj	Sundargarh	Deogarh	Total
Drinking water	Released	371.16	-	177.21	-	1,405.77	-	679.98	947.68	-	3,581.80
	Expenditure	344.99	-	141.86	-	1,314.80	-	525.48	877.82	-	3,204.95
	Balance	26.17	-	35.35	-	90.97	-	154.50	69.86	-	376.85
Education	Released	15.60	59.89	219.46	64.10	175.68	-	430.65	353.09	57.80	1,376.27
	Expenditure	2.72	5.03	57.65	9.92	96.90	-	94.92	234.99	20.98	523.11
	Balance	12.88	54.86	161.81	54.18	78.78	-	235.73	118.10	36.82	853.16
Health	Released	-	-	67.19	-	175.45	-	242.93	205.12	-	690.69
	Expenditure	-	-	11.24	-	51.75	-	93.13	103.32	-	259.44
	Balance	-	-	55.95	-	123.70	-	149.80	101.80	-	431.25
Livelihood	Released	-	1.18	19.49	34.11	29.77	-	13.18	17.82	3.08	118.63
	Expenditure	-	0.11	2.33	1.74	8.92	-	7.96	8.32	1.68	31.06
	Balance	-	1.07	17.16	32.37	20.85	-	5.22	9.50	1.40	87.57
Infrastructure and connectivity	Released	-	-	2.04	-	127.39	-	44.87	41.11	-	215.41
	Expenditure	-	-	1.86	-	119.72	-	33.37	37.72	-	192.67
	Balance	-	-	0.18	-	7.67	-	11.50	3.39	-	22.74
Environment protection	Released	-	-	-	-	-	-	7.87	-	-	7.87
	Expenditure	-	-	-	-	-	-	6.92	-	-	6.92
	Balance	-	-	-	-	-	-	0.95	-	-	0.95

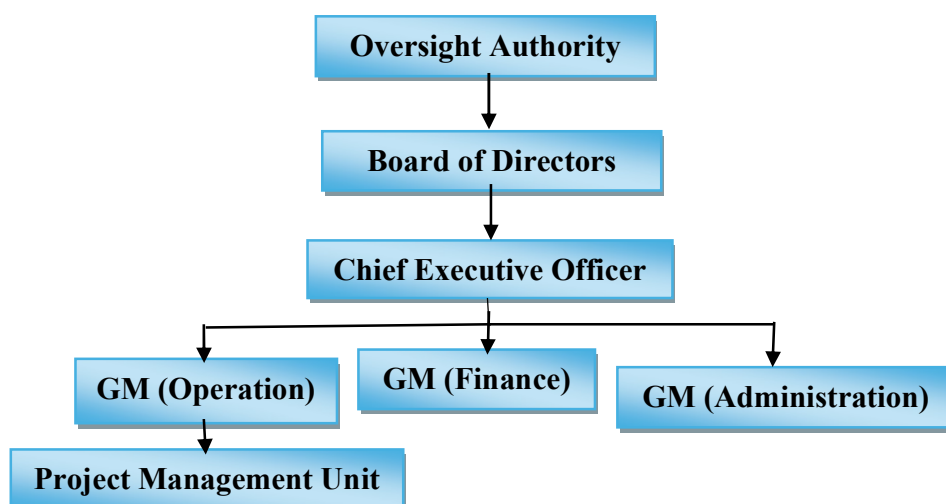
Sector	Funds	Angul	Dhenkanal	Jajpur	Jharsu guda	Keonjhar	Koraput	Mayurb hanj	Sundarg arh	Deogarh	Total
Water conservation	Released	-	12.03	22.23	25.68	47.05	-	56.59	52.73	19.81	236.12
	Expenditure	-	11.64	20.64	10.79	41.27	-	42.08	41.33	15.87	183.62
	Balance	-	0.39	1.59	14.89	5.78	-	14.51	11.40	3.94	52.50
Research project	Released										-
	Expenditure										-
	Balance										-
Sports	Released										-
	Expenditure										-
	Balance										-
Total	Released	386.76	73.10	507.62	123.89	1,961.11	-	1,468.20	1,617.55	80.69	6,226.79
	Expenditure	347.71	16.78	235.58	22.45	1,633.36	-	796.94	1,303.50	38.53	4401.77
	Balance	39.05	56.32	272.04	101.44	327.75	-	671.26	314.05	42.16	1825.02

(Source: Information furnished by OMBADC)

1.2 Organisational Structure of the Special Purpose Vehicle

The State Government constituted (December 2014) the Board of Directors (BoD) of the SPV, under the chairmanship of the Chief Secretary, Odisha. The Forest, Environment and Climate Change (FE&CC) Department, nominated (December 2014) the Principal Chief Conservator of Forests and Head of Forest Force (PCCF & HoFF), as the Chief Executive Officer (CEO) of the SPV, until the nomination of a full-time CEO, which was approved by the BoD in its first meeting (December 2014). In the second meeting (March 2015), the BoD approved creation of the posts of General Manager (Operations) and General Manager (Finance). Further, in its 9th meeting (January 2018), BoD approved: (i) creation of the post of General Manager (Administration), (ii) establishment of a Programme Management Unit (PMU) and (iii) Organisational Structure for the functioning of the SPV, as shown in **Chart No.1**.

Chart No. 1: Organisational structure of the SPV, as approved by the Board of Directors



The FE&CC Department, with the orders of the Chief Minister of Odisha, placed (April 2018) the SPV under the administrative control of the Planning and Convergence (P&C) Department.

1.3 Audit Objective

The objectives of the Performance Audit were to assess whether:

- the planning process for selection of OMBADC projects, in the mining affected areas, was effective;
- the Financial Management of OMBADC projects was economical and efficient;
- the implementation of projects was effective and resulted in the desired outcomes and
- a monitoring mechanism and internal control system was in place and was efficient.

1.4 Audit Criteria

The audit observations were benchmarked against criteria derived from the following:

- Judgements of Hon'ble Supreme Court of India
- Minutes of the Board meetings of the OMBADC
- Minutes of the meetings of the Oversight Authority
- Central Vigilance Commission Guideline/ Circulars
- Odisha Public Works Department Code
- Central Public Health and Environmental Engineering Manual
- Odisha General Financial Rules/ Procurement Guidelines
- Schedule of Rates of GoO for the year 2014
- Operational Guideline of OMBADC
- Guideline of Pucca Ghar Yojana (Mining)
- Minutes of meeting conducted by Line Departments
- Panchayat Samiti Accounting Rules
- Manual for preparation of DPR and strategic plan for drinking water prescribed by the Government of India (GoI); and
- Indian standard specification for water quality.

1.5 Audit scope and methodology

This Performance Audit was conducted during September 2022 and February 2023, covering the period from FY 2017-18 to FY 2021-22. The projects funded by OMBADC were being implemented by 15 Departments¹⁴, in 10 sectors¹⁵ (both

¹⁴ (1) Agriculture and Farmers' Empowerment(A&FE) Department (2) Fisheries and Animal Resources Development (F&ARD) Department (3) Forest, Environment and Climate Change (FE&CC) Department (4) Health and Family welfare (H&FW) Department (5) Housing and Urban Development (H&UD) Department (6) Panchayati Raj and Drinking Water (PR&DW) Department (7) Mission Shakti (MS) Department (8) Rural Development (RD) Department (9) ST&SC Development, Minorities & Backward Classes Welfare Department (10) Skill Development and Technical Education (SD&TE) Department (11) Micro, Small and Medium Enterprise (MS&ME) Department (12) Women and Child Welfare (W&CD) Department (13) Handloom, Textiles and Handicrafts (HT&H) Department (14) Social Security and Empowerment of Persons with Disabilities (SS&EPD) Department and (15) Sports & Youth Service (S&YS) Department

the *ad hoc* CAMPA and Compensation fund), out of which five sectors *i.e.*, (i) Housing, (ii) Skill development, (iii) Drinking water, (iv) Education and (v) Health and Nutrition were selected for this Performance Audit. For test-check of records, out of the aforesaid sectors, five Block Development Officers¹⁶, two Executive Engineers¹⁷ (EE) of Rural Water Supply and Sanitation (RWSS), two General Managers¹⁸ of the Water Commission (WATCO) and one EE of a Public Health (PH) division, five EEs¹⁹ of Rural Works (RW) Divisions, five EEs²⁰ of Roads & Buildings (R&B) Divisions, two Chief District Medical Officers²¹ (CDMOs), two District Social Welfare Officers²² (DSWOs) and the ST & SC Development, Minorities & Backward Classes Welfare Department, were selected, through the stratified and random sampling methods. In addition, records of the Health and Family Welfare (H&FW) Department, Housing and Urban Development (H&UD) Department, Panchayati Raj and Drinking Water (PR&DW) Department, School and Mass Education (S&ME) Department, Women and Child Development (W&CD) Department and the Odisha State Medical Corporation Limited (OSMCL), were also test-checked.

The methodology of audit included scrutiny of physical and computerised records, as well as joint physical inspection (JPI) by Audit teams, with representatives of the concerned units. Further, beneficiary interviews were also conducted, to ascertain the performance of the assets created and facilities provided to the persons residing in the mining affected districts.

An Entry Conference was held on 27 September 2022, with the CEO, OMBADC, in which the Audit objectives, criteria, scope and methodology, were explained. An Exit Conference was held on 02 August 2023 with the CEO, OMBADC wherein the Audit observations were discussed and the compliances of the OMBADC along with the line Departments have been suitably incorporated in the Report.

1.6 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the CEO, OMBADC; PR&DW Department; H&UD Department; GMs, WATCO; Health and Family Welfare Department; School and Mass Education Department; and all the test-checked units, in the conduct of the Performance Audit.

¹⁵ 1. Housing Sector 2. Drinking water 3. Skill Development 4 Education 5. Health (Nutrition) 6. Water Conservation & Soil Moisture Conservation 7. Infrastructure & Connectivity 8. Livelihood 9. Research Projects and 10. Sports

¹⁶ BDOs, Lakhanpur, Jhumpura and Joda, under the Housing Sector and BDOs, Sukinda and Pallahara under Education Sector

¹⁷ EEs, RWSS, Jajpur and Anandpur, under the Drinking Water Sector (Rural)

¹⁸ GMs, WATCO, Cuttack, Keonjhar and EE, PH, Cuttack, under Drinking Water Supply (Urban)

¹⁹ EE, RD-II division, Keonjhar under the Education Sector and EEs, RD Divisions, Baripada, Karanjia, Sundargarh and Rourkela, under the Health Sector

²⁰ EE, R&B Division, Ghatagaon, under the Education Sector and EEs of R&B Divisions, Baripada, Rairangpur, Sundargarh and Rourkela

²¹ CDMOs, Mayurbhanj and Sundargarh

²² DSWOs, Keonjhar and Sundargarh

CHAPTER-2

PLANNING AND SANCTION OF PROJECTS

2

Planning and Sanction of Projects

This chapter provides an introduction to the planning process and sanction of projects in OMBADC. Due to non-approval of a perspective plan, containing the shelf of proposals for the next ten years; lack of priority in taking up suitable year-wise interventions; and non-submission of Detailed Project Reports (DPRs), the intended projects for tribal welfare had not been implemented in a timely manner. It further describes: (1) short collection of compensation (2) delay in release of funds (3) non-preparation of annual budgets and (4) loss of revenue, due to untimely deposit of the interest earned on Auction Treasury Bills.

2.1 Prelude

The BoD, in its 2nd meeting (March 2015), approved that the OMBADC should mainly design, co-ordinate, facilitate, monitor and supervise projects, as also assess the impact of the projects undertaken by it, and not become a direct implementing organization, at the field level. The line departments (15 departments) were to submit the shelf of proposals to the company and execute the approved projects through their respective district and field level officials. The OMBADC, also engaged (20 April 2018) a Project Management Unit (PMU), namely M/s PricewaterhouseCoopers (PWC), for three years (up to April 2021), for increasing the efficiency and effectiveness of the activities of the OMBADC. This arrangement was, subsequently, extended up to June 2023.

2.2 Planning of projects

Scrutiny of the records of OMBADC, revealed that, in the fourth meeting of the BoD, it had been approved (February 2016) that interventions would be undertaken in the Housing, Drinking Water and Sanitation, Farm Forestry and Social Forestry sectors, for implementation in the mining affected areas of eight districts²³. The above activities were to be executed through the Panchayati Raj and Drinking Water (PR&DW) Department, Rural Development (RD) Department and Forest, Environment and Climate Change (FE&CC) Department. Further, the BoD had approved the release of funds, amounting to ₹150 crore, ₹50 crore and ₹20 crore, to the PR&DW, RD and FE&CC Departments, respectively, to start these activities and authorised the CEO to release the said funds, out of the funds received from *ad hoc* CAMPA, in phase-I.

In addition to the above, the BoD, in its 5th meeting, approved (June 2016) release of funds, amounting to ₹2.04 crore, to the ST & SC Development Department, for skill development training of SC/ST trainees. The trainees were to be selected from the identified villages of the mineral bearing areas of the State.

²³ Angul, Dhenkanal, Jajpur, Jharsuguda, Keonjhar, Koraput, Mayurbhanj and Sundargarh

Further, in phase-II, out of the compensation fund, the BoD, in its 9th meeting, approved (January 2018) undertaking of works/projects related to: (i) livelihood intervention (ii) health (iii) water supply and sanitation (iv) education (v) special programmes for development of women and children (vi) entrepreneurial development of local people (vii) communication and infrastructure projects and (viii) agri-silvicultural based livelihood projects *etc.*, in the mining affected areas. Another sector, *i.e.*, sports, was approved (September 2021) by the BoD, for undertaking construction of 11 multi-purpose indoor stadiums, across different ULBs, of the mining affected districts. The Oversight Authority sanctioned (December 2018/ February 2019) ₹10,014.33 crore, for implementation of above projects under seven sectors²⁴.

2.2.1 Non-approval of perspective and annual implementation plan

The Hon'ble Supreme Court of India, in its judgement (Para 215), directed (02 August 2017) that the SPV would undertake specific tribal welfare and area development works, so as to ensure inclusive growth of the mineral bearing areas. While taking up such projects/works, a bottom-up planning and participatory approach was to be followed.

Towards increasing efficiency and effectiveness of the activities of SPV, the OMBADC engaged (20 April 2018) M/s PricewaterhouseCoopers (PwC), as the Project Management Unit (PMU), for three years (2018-2021), for providing eight experts for various fields. As per the contract, the PMU was to facilitate the functioning of the BoD and function as OMBADC's resource hub. It was *inter alia* responsible for working with relevant stakeholders to identify critical needs and gaps and then make a perspective plan for the next ten years. The plan was to clearly map the addressed needs, nature and type of intervention, likely outputs and possible risks. From the perspective plan, rolling annual implementation plans were need to be prepared at the beginning of the financial year, containing detailed actions, timelines and cost estimates. The contract period was extended (July 2021) for another two years (June 2023).

As per the information furnished to Audit, though the PMU had submitted (02 June 2020) a perspective plan for ten years, the said plan had not been approved by OMBADC (as of April 2023), for implementation of various projects in mining affected districts. Furthermore, in the absence of approved perspective plan, annual implementation plans were also not prepared and submitted by the PMU for BoD's approval.

Due to non-approval of the perspective plan containing the shelf of proposals for the next ten years and annual implementation plan on priorities for taking up suitable year-wise interventions, the expenditure of ₹ 7.81 crore incurred on the services of PMU upto 2022-23 is wasteful and the intended projects for tribal welfare could not be implemented in a systematic manner as discussed in **Para 6.1.3 and 6.1.4 of Chapter 6** in this report.

²⁴ Water supply, Education, Health, Livelihood promotion, Infrastructure and Connectivity, Environment Protection and Water Conservation and Soil Moisture Conservation (SMC)

In reply, the CEO, OMBADC stated (June 2023) that since the scheme document of OMBADC has already been approved by the Hon'ble Supreme Court of India and the perspective plan is in line with the scheme document, its approval by the Board of Directors is not required. The reply was not acceptable, as non-approval of the perspective plan resulted in non-preparation of annual implementation plan depriving the systematic implementation of the projects.

2.2.2 Non-submission of Project Proposals

In its 13th meeting (September 2018), the BoD approved the “Guidelines for OMBADC Project Financing, Implementation and Monitoring”, which *inter alia* provided for submission of the shelf of proposals. In the Guidelines, all line departments were instructed that the various projects, so submitted, would be converged into a proper plan by the PMU, which was to come up with a DPR within 3 - 4 months after signing of the contract. While preparing the DPRs, there was to be Participatory Rural Appraisal²⁵ (PRA) in each village, to prepare micro-plans, that was to be converged into the district plan. DPRs were to be approved by the Board and then funding was to be done.

On scrutiny of records of the OMBADC, it was noticed that 47 projects had been sanctioned, as of 31 March 2022, out of the compensation funds (phase-II), against which four line departments²⁶ had not submitted 14 project proposals.

As per Clause - xix of the Guidelines, (implementation of) all projects would become operative from the respective dates of release of the first instalments of the funds. Scrutiny of records revealed that, in relation to health sector projects, the BoD had approved (27 December 2019) ₹66.64 crore, for “Construction of 150-bedded Mother Child Hospital (MCH)” at Jajpur and released (5 October 2020) ₹19.60 crore, being 30 *per cent* of the project cost, in favour of the Odisha State Health & Family Welfare Society (OSH&FWS), for implementation of the project, through the Superintending Engineer (SE), (Roads & Building), Panikoili, under Jajpur district. However, the project had not started (as of September 2022), *i.e.*, even after a lapse of more than 33 months from the date of approval and 23 months from the date of release of funds due to non-preparation of design and estimates for construction of MCH by the SE.

In reply, the CEO, OMBADC stated (June 2023) that except Electronics and Information Technology Department, all departments have submitted the DPRs. The project construction of 150 bedded MCH had been started late due to Corona pandemic. The project has now picked up and is likely to be completed in the current financial year. However, the fact remains that the project had been sanctioned without estimates which indicates unrealistic sanction of projects.

²⁵ Participatory Rural Appraisal aims to incorporate the knowledge and opinions of rural people in the planning and management of development projects and programmes

²⁶ Agriculture and Farmers Empowerment Department; Electronics and Information Technology Department; Forest, Environment and Climate Change Department; and Handloom, Textiles & Handicraft Department

2.3 Management of Financial Resources

2.3.1 Non-receipt of balance of additional Net Present Value

As per the directions of the Hon'ble Supreme Court, 50 *per cent* of the additional NPV collected by *adhoc* CAMPA was to be devolved to the SPV. Scrutiny of records revealed that in March 2017, CEO, *adhoc* CAMPA had intimated OMBADC that 220 mining lessees had deposited ₹1,858.72 crore towards Additional NPV. Out of which, the CEO, *adhoc* CAMPA, had released (January 2015) only ₹869.42 crore. The balance funds of ₹59.94 crore (50 *per cent* of ₹1,858.72 crore = ₹929.36 crore - ₹869.42 crore = ₹59.94 crore) had not been released to SPV, for implementation of its activities (as of October 2022).

In reply, the CEO, OMBADC stated (June 2023) that the CEO, National Authority, CAMPA, New Delhi has been requested, to release the balance amount. However, Audit observed that the National Authority, CAMPA, was approached only in May 2023 *i.e.*, after the matter was flagged by Audit.

2.3.2 Receipt and utilisation of funds from *adhoc* CAMPA

Out of the 1st phase of funding, *i.e.*, funds from *adhoc* CAMPA, the OMBADC sanctioned projects in four sectors²⁷, to be executed by three departments²⁸. The receipt and utilization of funds, as of 31 March 2022, was as detailed in **Table – 2.1** below:

Table - 2.1: Receipt and release of funds to implementing agencies (₹in crore)

Financial Year	OB	Receipt	Interest	Total	Administrative expenses	Funds released to line departments	Total	Balance
2014-15		869.42	8.88	878.32	0	0	0	878.32
2015-16	878.32	0.00	82.09	960.41	0.04	180.00	180.04	780.36
2016-17	780.36	0.00	45.61	825.97	0.06	132.04	132.11	693.87
2017-18	693.87	0.00	42.33	736.20	0.11	292.03	292.14	444.05
2018-19	444.05	0.00	24.88	468.93	2.68	156.06	158.74	310.19
2019-20	310.19	0.00	16.02	326.21	3.36	225.00	228.36	97.85
2020-21	97.85	0.00	34.73	132.59	3.85	77.20	81.05	51.54
2021-22	51.54	0.00	11.00	62.54	5.59	0.00	5.59	56.95
Total		869.42	265.54	1,134.97	15.69	1,062.33	1,078.03	56.95

(Source: - Information furnished to Audit by OMBADC)

As may be seen from **Table-2.1**, the OMBADC had released ₹1,062.33 crore, in a phased manner, during 2015-22, out of the additional NPV and interest accrued thereon (amounting to ₹1,134.97 crore), retaining the balance of ₹56.95 crore. Observations in this regard, are discussed in the subsequent paragraphs.

2.3.2.1 Delay in release of funds

Scrutiny of records of CEO, OMBADC, revealed that, as per the orders of Hon'ble Supreme Court, a bank account was to be opened, within one month of

²⁷ Drinking water; Housing; Farm forestry and social forestry; and Skill development

²⁸ PR&DW Department; Forest, Environment and Climate Change Department; and ST&SC Development, Minorities & Backward Classes Welfare Department

the order, i.e., during June 2014, for undertaking tribal welfare development works. However, the bank account was opened during December 2014 and funds, amounting to ₹869.42 crore, were released (10 January 2015) by the *Adhoc* CAMPA, with a delay of 181 days *say* six months. This resulted in loss of interest of ₹15.09 crore²⁹, from 01 June 2014 to 10 January 2015, at the rate of 3.5 *per cent*³⁰ per annum.

In reply, the CEO, OMBADC stated that OMBADC did not have a bank account for receiving *adhoc* CAMPA fund due to absence of authorised signatory. After incorporation of SPV as Company, the bank account was opened to receive the money. The reply was not acceptable as delay in finalisation of authorised signatory to open the Bank account was attributable to OMBADC itself.

2.3.3 Demand and collection of compensation

The Hon'ble Supreme Court of India directed³¹ (August 2017) Government of Odisha that mineral iron ore and manganese, extracted either without an Environment Clearance (EC) or without Forest Clearance or without both, would attract the provisions of Section 21(5) of the MMDR Act, 1957 and 100 *per cent* of the price of the illegally or unlawfully mined mineral, was to be compensated by the mining lessees. The amounts determined as due, from all the mining lessees, were to be deposited by them, on or before 31 December 2017. This amount was also to be kept with the OMBADC.

Accordingly, the Central Empowered Committee in its report dated 17 January 2018 recommended collection of compensation, amounting to ₹19,174.38 crore, from 131 mining lease holders, who had violated FC Act and/ or EC.

Scrutiny of records of the Director, Mines and Geology, revealed that, as of December 2017, 82 out of 131 mining lease holders, had paid ₹8,289.87 crore, against the total demand of ₹19,174.38 crore, leaving the balance of ₹10,884.51 crore unrecovered. Following further directions of the Hon'ble Supreme Court, to take coercive action to recover the unpaid dues from the defaulting mining lease holders, the Director of Steel and Mines, Odisha, intimated (February 2018) the Collectors (Sundargarh, Keonjhar and Mayurbhanj) to initiate the process for institution of certificate cases, under the Odisha Public Demand Recovery (OPDR) Act, 1962³². After initiation of the certificate cases, ₹7,371.12 crore had been recovered, along with interest, for delayed payment (as of January 2023). However, the Department had not taken any effective steps like attachment of the whole or any part of the immovable properties belonging to the certificate-debtor, to recover the balance amount of ₹3,966.34 crore (with interest), from the defaulting mining lessees, although six years had been lapsed.

²⁹ $(869,42,00,000 \times 3.5 / 100) / 365 \text{ days} \times 181 \text{ days} = ₹15,08,97,964$

³⁰ The rate of interest is taken from the official website of State Bank of India

³¹ Writ Petitions (Civil) No. 114 of 2014 and 194 of 2014

³² Certificate action under Odisha Public Demand Recovery Act, 1962 is an action taken for recovery of government dues, conclusion of which may result in arrest, attachment/sale of property or both of the certificate debtor.

In reply, the CEO, OMBADC stated (June 2023) that the Steel and Mines Department has been requested to recover the balance amount from the defaulting mining lessees. The reply was not acceptable as the Department failed to recover the balance amount from the defaulting lessees after a lapse of six years.

2.3.3.1 Receipt and utilisation of compensation money

As per information furnished by OMBADC, ₹19,726.89 crore (including interest)³³ had been received towards compensation, out of which ₹6,226.79 crore had been released by the SPV, to 15 line Departments, for execution of projects as of 31 March 2022. However, from these funds, the Departments had been able to utilise only ₹4,401.77 crore, with the utilisation in each of these departments ranging from 1.54 to 90.42 *per cent*, leaving an unspent balance of ₹1,825.02 crore, as detailed in *Appendix – I*.

2.3.3.2 Non-preparation of annual budget

As per para 215 of the judgement (August 2017) of the Hon'ble Supreme Court, the BoD was responsible for receiving grants/ funds, maintaining their custody; approving Annual Budget Estimates; and sanctioning expenditure, within the limits of the Budget.

As per the information furnished by the OMBADC, annual budgets had not been prepared upto FY 2019-20, due to which, large unspent balances had accumulated at the end of each year. The Board had approved in its (14th to 22nd meetings, *i.e.*, during April 2019 to September 2021), projects amounting to ₹16,269.65 crore, against project proposals received from 15 line departments, out of the available funds of ₹19,726.89 crore and released ₹6,226.79 crore thereagainst. As the SPV had not prepared its annual budgets every year, for implementation of welfare projects across all sectors, there was large unspent balance of ₹13,500.10 crore, as of March 2022.

In reply, the CEO, OMBADC stated (June 2023) that slow pace of expenditure was due to pandemic during 2020-21 and 2021-22 for which most of the projects could not be implemented. But necessary instructions have been issued to expedite the expenditure. However, the fact remains that, the annual budget was not prepared prior to the pandemic *i.e.*, 2017-18 to 2019-20, which led to the huge unspent balance and slow pace of implementation of mandated area development and tribal welfare programmes of OMBADC.

2.3.3.3 Loss of ₹16.51 crore, due to untimely deposit of interest, earned on Auction Treasury Bills

As per clauses 8 and 9 of the Notification issued (August 2017) by the Finance Department (FD), OMBADC was to determine the investible surplus funds³⁴, in a Personal Deposit Account, keeping in view the requirement of funds for execution of works and for administrative expenses. The CEO, OMBADC, was to advise the

³³ Difference between the figures intimated by the Department of Steel and Mines and figures intimated by OMBADC could not be reconciled.

³⁴ Investible surplus funds are the sum of money remaining after meeting all required expenses

Finance Department, for investment of the surplus funds, in Auction Treasury Bills (ATB) (91 days /182 days/ 364 days, as conducted by the Reserve Bank of India), to provide assured return on the surplus balance. The interest so earned was to be transferred to the banking deposit account of the OMBADC, on back-to-back basis, by the Finance Department.

Scrutiny of records of the OMBADC revealed that ₹26,680.66 crore had been invested in eleven ATBs, during the period from 01 February 2018 to 24 April 2019, with a maturity value of ₹28,395 crore, as on 23 April 2020. It was further noticed that, after maturity of ATBs, the Finance Department had credited the interest of ₹1,714.34 crore, with delays ranging from five days to 189 days. The OMBADC had also failed to take timely action, in communicating with the Finance Department, to either refund the accrued interest, or to reinvest the same in ATBs, immediately after maturity. Non-credit of the interest on maturity, led to loss of interest of ₹16.51 crore, to OMBADC.

In reply, the CEO, OMBADC stated (June 2023) that OMBADC has approached the Finance Department.

2.3.3.4 Approval of projects by OMBADC under the Compensation Fund

As per the information furnished by the OMBADC, the district-wise and sector-wise projects, in nine sectors approved (14th to 22nd Board meetings) during April 2019 to September 2021 for implementation, out of the compensation fund, as of 31 March 2022, was as detailed in **Table 2.2**.

Table – 2.2: District-wise and sector-wise projects approved

(₹ in crore)						
Sl. No.	District	Drinking Water	Education	Health	Livelihood	Infrastructure and Connectivity
1	2	3	4	5	6	7
1	Koraput	0.00	0.00	0.00	0.00	0.00
2	Raygada	0.00	0.00	0.00	0.00	0.00
3	Mayurbhanj	3,069.60	527.55	859.75	51.95	43.81
4	Keonjhar	2,556.83	723.48	812.79	95.44	334.68
5	Deogarh	0.00	52.20	0.00	10.13	0.00
6	Dhenkanal	0.00	16.20	0.00	0.00	0.00
7	Balangir	0.00	0.00	0.00	0.00	0.00
8	Sundargarh	2,557.30	850.06	937.00	100.40	360.59
9	Angul	0.00	15.60	0.00	0.00	0.00
10	Jajpur	434.53	267.89	288.70	58.14	3.46
11	Jharsuguda	0.00	62.40	0.00	0.00	0.00
12	Others#	0.00	165.27	45.69	127.21	0.00
	Total	8,618.26	2,680.65	2,943.93	443.27	742.54
Percentage of allocation sector-wise		52.97	16.48	18.09	2.72	4.56

Environment Protection	Water Conservation and Soil Moisture Conservation	Research Project	Sports	Total	Percentage of allocation (district-wise)
8	9	10	11	12	13
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
3.70	169.61	0.00	6.40	4,732.37	29.09

Environment Protection	Water Conservation and Soil Moisture Conservation	Research Project	Sports	Total	Percentage of allocation (district-wise)
8	9	10	11	12	13
9.25	215.79	0.00	36.85	4,785.11	29.41
0.00	0.00	0.00	0.00	62.33	0.38
0.00	0.00	0.00	0.00	16.20	0.10
0.00	0.00	0.00	0.00	0.00	0.00
3.70	221.81	0.00	30.45	5,061.31	31.11
0.00	0.00	0.00	0.00	15.60	0.10
5.00	99.39	0.00	10.15	1,167.26	7.17
0.00	0.00	0.00	20.30	82.70	0.51
3.10	0.00	5.50	0.00	346.77	2.13
24.75	706.60	5.50	104.15	16,269.65	100.00
0.15	4.34	0.03	0.64	100.00	

(Source: Information collected from OMBADC BoD Minutes)

(# The projects, which had been sanctioned without any mention of the districts to be covered, have been indicated as 'Others')

Audit observed that, although phase-II compensation funds had been received by the OMBADC from December 2017 onwards, the district-wise and sector-wise projects had been approved from April 2019 onwards, and funds had been released to line departments, from July 2019 onwards. The district-wise compensation funds had been received and projects approved by the BoD, as detailed in Table 2.3.

Table 2.3: Compensation assessed by the CEC and levied on defaulting mining lease holders

(₹ in crore)

Sl. No.	District	Major mineral mines in the district	Compensation assessed by the CEC			Projects approved by BoD	
			No. of defaulting Mining lessees	District-wise compensation money, assessed by the CEC	Percentage to total compensation Money	Approved projects' cost	Percentage to the total cost of the approved projects
(A)	(B)	(C)	(D)	(F)	(F)	(G)	(H)
1	Koraput	6	2	3.54	0.0185	0	0
2	Rayagada	10	1	0.04	0.0002	0	0
3	Mayurbhanj	10	10	219.25	1.1435	4,732.37	29.09
4	Keonjhar	79	70	14,829.45	77.3399	4,785.11	29.41
5	Deogarh	0	0	00	0.0000	62.33	0.38
6	Dhenkanal	3	0	00	0.0000	16.20	0.10
7	Balangir	62	1	19.08	0.0995	0	0
8	Sundargarh	81	46	3,348.61	17.4640	5,061.31	31.11
9	Anugul	19	0	00	0.0000	15.60	0.10
10	Jajpur	19	1	754.41	3.9345	1,167.26	7.17
11	Jharsuguda	16	0	00	0.0000	82.70	0.51
12	Others	0	0	00	0.0000	346.77	2.13
Total		305	131	19,174.38	100.0000	16,269.65	100

(Source: Compiled by Audit from the information furnished by the OMBADC)

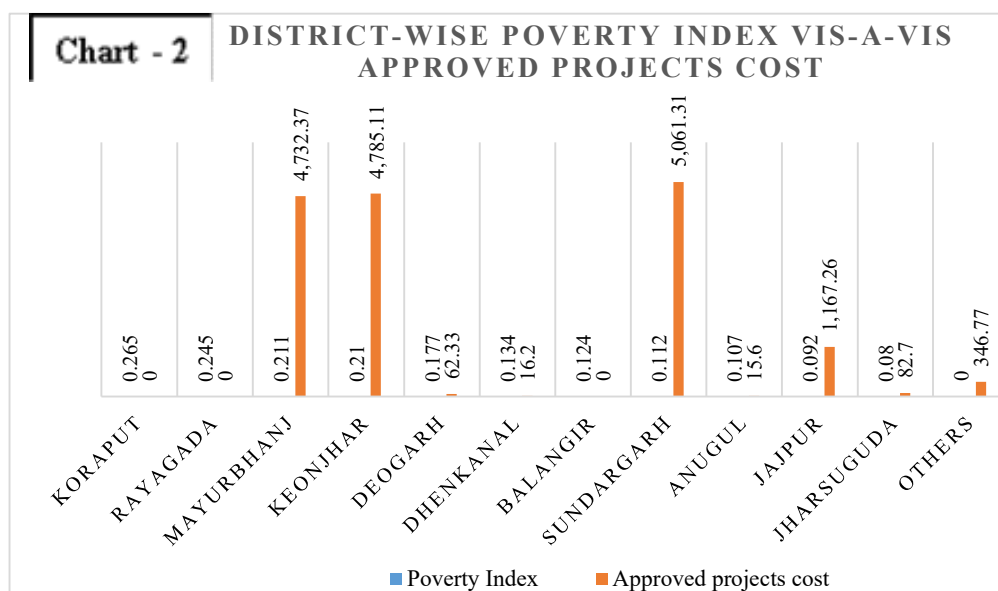
Similarly, the district-wise poverty index, assessed by the National Institution for Transforming India (NITI) Aayog, and the cost of projects approved by the BoD, for execution, was as detailed in Table 2.4.

Table 2.4: District-wise poverty index report and approved projects cost

Sl. No.	Name of the District	Multidimensional Poverty Index (MPI)	Rank of the District in poverty index in the State	Total Population of the District	Approved projects' cost	Percentage to the total cost of the approved projects
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
1	Koraput	0.265	3	15,48,102	0	0
2	Rayagada	0.245	4	10,86,093	0	0
3	Mayurbhanj	0.211	6	28,27,398	4,732.37	29.09
4	Keonjhar	0.21	8	20,21,725	4,785.11	29.41
5	Deogarh	0.177	10	3,50,679	62.33	0.38
6	Dhenkanal	0.134	13	13,38,453	16.20	0.10
7	Balangir	0.124	14	18,50,340	0	0
8	Sundargarh	0.112	17	23,49,046	5,061.31	31.11
9	Anugul	0.107	19	14,29,355	15.60	0.10
10	Jajpur	0.092	23	20,50,292	1,167.26	7.17
11	Jharsuguda	0.08	26	6,50,263	82.70	0.51
12	Others	-	-	-	346.77	2.13
Total					16,269.65	100

(Source: Compiled by Audit from NITI Aayog Report and information furnished by OMBADC)

From Table 2.4, it may be seen that OMBADC had approved projects in respect of eight districts and did not approve any project in respect of three³⁵ districts though compensation fund was also levied and collected from these districts. These three districts were also not included in the various development programme although the respective poverty index of these districts ranged from 0.124 to 0.265 which ranks third, fourth and fourteenth among the other districts. Details of the district-wise poverty index, assessed *vis-à-vis* the projects approved, are given in Chart 2.



³⁵ Koraput (0.265 per cent), Rayagada (0.245 per cent) and Balangir (0.124 per cent)

From **Chart 2**, it may be seen that, although the Koraput, Rayagada and Balangir districts were high in the poverty index, *i.e.*, having poverty index of 51.14, 48.14 and 27.49 *per cent*, respectively (3rd, 4th and 14th rank in the State) and the compensation fund was being collected from the defaulting mining lessees, these districts were not included arbitrarily under various developmental activities undertaken by the OMBADC.

2.4 Monitoring and supervision

2.4.1 Non-review of unspent balances of PIAs

As per Finance Department guidelines (June 2020) regarding the revised accounting procedure for the Bank Account of SPV, the OMBADC was to watch the expenditure made by the Project Implementing Agencies (PIAs) and ensure that the money was not parked in the bank account of the agencies. The PIA was to submit Utilisation Certificates (UCs), to the OMBADC, through the Department concerned, against the amounts released. At the end of each financial year, OMBADC was to conduct a review of the money remaining unspent with each PIA and the review report was to be forwarded to the Planning & Convergence (P&C) Department.

Scrutiny of records of OMBADC revealed that no such review had been conducted by OMBADC due to which the actual unspent money, parked by the PIAs, as well as the interest earned thereon and refunded by them, to the OMBADC, could not be ascertained by Audit. Further, no such review reports had been forwarded to the P&C department, every year.

In reply, the CEO, OMBADC, stated (June 2023) that the line departments had been instructed to expedite the expenditure and submit the Utilisation Certificates in time. However, the reply did not address the observation in regard to non-review of the funds lying unspent with the PIAs.

2.4.2 Non-appointment of full-time CEO for OMBADC

As per the order (December 2014) of the FE&CC department, the PCCF & HOFF had been appointed as the CEO of OMBADC, until the appointment of a full-time CEO for OMBADC. However, no full-time CEO had been appointed, as of the date of audit (November 2023), though six CEOs of OMBADC, had been appointed as an additional charge basis, since its inception.

In reply, the CEO, OMBADC stated (June 2023) that the observation of Audit would be communicated to the Government to do the needful.

2.4.3 Non-constitution of sub-committees

As per para 6 of the scheme for setting up of SPV for undertaking tribal welfare and area development works, in mining affected areas, the BoD had to constitute one or more sub-committees, to oversee the implementation of the projects under OMBADC.

Scrutiny of records of the OMBADC revealed that the CEO had informed the BoD regarding the difficulties being faced in regard to reviewing and monitoring the progress of all projects, in detail. Accordingly, one sub-committee had been constituted, in June 2021, after a lapse of more than six years from the inception of OMBADC. Audit noticed that, during the period from 2014-15 to 2020-21, OMBADC had spent ₹ 4,616.23 crore on 43 projects, but no sub-committee had been constituted to oversee the implementation and progress of these projects.

Further, against the required 20 meetings of the BoD during the period 2017-18 to 2021-22, 17 BoD meetings were held, which means the progress in implementation could not be reviewed for one quarter each during the years 2018-19, 2019-20 and 2021-22.

In reply, the CEO, OMBADC stated (June 2023) that when the Board felt that due to the increase in the number of projects as well as of funds, it is expedient to constitute the sub-committee. Therefore, a sub-committee was constituted in June 2021 and five meetings have been organised. The reply was not acceptable as the sub-committee was not formed to review the projects implemented since 2015-16 onwards although funds were released to line departments.

Recommendations:

Government may consider:

- 1. Approving the perspective plan, containing the shelf of proposal of projects, in a timely manner, for implementation in the mining affected areas.***
- 2. Pursuing with the defaulting line departments to submit the pending DPRs, for the projects to be undertaken by them, for the development of mining affected areas.***
- 3. To take effective steps, to recover the balance amount of compensation money from the mining lessees.***
- 4. Conducting reviews of the unspent balances, at the end of each financial year, with all PIAs and forwarding the consolidated review report in this regard, to the Planning & Convergence (P&C) Department.***
- 5. Appointing a full-time CEO and constituting sub-committees, to oversee the implementation of the projects.***

CHAPTER-3

DRINKING WATER SUPPLY PROJECTS

3

Drinking Water Supply Projects Panchayati Raj and Drinking Water Department

This chapter contains audit findings on drinking water supply projects, which include poor financial management, non-utilisation of funds under different schemes, lack of proper surveys, avoidable expenditure due to execution of piped water supply (PWS) works in displaced colonies, delays in completion of projects, irregular splitting of estimates, avoidable expenditure due to overlapping of villages under small PWS and mega PWS projects, non-finalization of site for intake well, operation and maintenance of small PWS projects, delay in completion of mega PWS projects, excess payment to contractors, non-maintenance of asset registers and land records, non-furnishing of project completion certificates and non-framing of a policy for operation and maintenance of the rural water supply projects.

3.1 Introduction

From the phase-1 funding, out of *adhoc* CAMPA, the BoD, in its 4th meeting, approved (27 February 2016) an amount of ₹350.45 crore, for implementation of drinking water supply projects. This amount was revised (16 June 2017) to ₹446.04 crore, with the related projects to be implemented in 691 villages of eight mineral bearing districts. The BoD further approved (11 January 2018) 244 projects, to be implemented in 626 villages (the list of villages was revised on 06 June 2018 to 640 villages). The BoD finally approved (December 2019) 217 projects (212 small and five mega projects³⁶) at a cost of ₹826.06 crore, to be implemented for drinking water supply projects, in 640 villages of eight districts³⁷. Out of these, two mega projects were transferred, to be met out of the compensation fund (phase-II funds), after incurring expenditure of ₹182.48 crore, from the *adhoc* CAMPA fund.

Similarly, out of the compensation fund, the Board had approved (April 2019 to June 2021) 28 mega piped water supply projects (as of March 2022), at a cost of ₹7,006.55 crore, for four mining affected districts³⁸, as well as the two other mega projects, which had been transferred from the *adhoc* CAMPA fund, at a cost of ₹249.57 crore.

³⁶ *Mega piped drinking water supply projects are intended for providing clean, safe, hygienic and potable drinking water; at the consumer end, through Functional Household Tap Connections (FHTC), with eight hours of supply, in the project areas*

³⁷ *Keonjhar, Sundargarh, Mayurbhanj, Jajpur, Angul, Koraput, Dhenkanal and Jharsuguda*

³⁸ *Jajpur, Keonjhar (Includes Pallahara Block of Angul district), Mayurbhanj and Sundargarh*

In addition, the BoD also sanctioned (December 2019) projects, at a cost of ₹1,247.35 crore, to provide drinking water in 13 ULBs³⁹, in three mineral bearing districts, i.e., Sundargarh, Keonjhar and Mayurbhanj. Subsequently, the cost of those projects was revised (August 2022) to ₹880.40 crore, as per the Detailed Project Reports (DPRs) and the number of ULBs was increased to 14, with inclusion of Vyasaganagar ULB.

3.2 Financial Management

The funds released, by the OMBADC, to two departments, for implementation of water supply projects, in rural and urban areas, as of March 2022, was as detailed in Table – 3.1.

Table-3.1: Funds released to departments for water supply projects

(₹ in crore)

Department	Fund	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total
PR & DW Department	Adhoc CAMP A	50.00	(-) 40.00 ⁴⁰	140.00	150.00	225.00	75.00	-	600.00
PR & DW Department	Compensation	-	-	-	195.25	478.54	1681.34	944.11	3,299.24
H & UD Department	Compensation	-	-	-	5.19	7.84	12.87	272.07	297.97
Total		50.00	(-) 40.00	140.00	350.44	711.38	1769.21	1216.18	4,197.21

(Source: Information furnished by OMBADC)

The receipt and utilisation of funds, released by the OMBADC, to seven test-checked units, for implementation of both - rural and urban water supply projects, for the period 2017-22, was as given in Table 3.2.

Table 3.2: Receipt and utilisation of funds, by the test-checked units

(₹ in crore)

Sl. No.	Area	Unit/Fund	Period	Receipt	Interest	Total	Expenditure incurred	Balance
1	Rural Water Supply	EE, RWSS, Jajpur (Adhoc CAMP A)	2017-18 to 2021-22	74.40	0	74.40	73.33	1.07
2		EE, RWSS, Jajpur (Compensation)	2019-20 to 2021-22	147.92	0.39	148.31	132.62	15.69
3		EE, RWSS, Anandapur (Adhoc- CAMP A)	2017-18 to 2021-22	54.03	0	54.03	48.35	5.68
4		EE, RWSS, Anandapur (Compensation)	2019-20 to 2021-22	591.45	0	591.45	514.12	77.33
5	Urban Water supply	EE, PH-II, Cuttack (Compensation)	2019-20 to 2021-22	4.15	0	4.15	4.15	0
6		EE, PH, Keonjhar (Compensation)	2017-18 to 2021-22	10.79	0	10.79	10.34	0.45
7		CEO, WATCO, BBSR (Compensation)	2021-22	264.00	0.68	264.68	145.58	119.10
		Total		1,146.74	1.07	1,147.81	928.49	219.32

(Source: Information furnished by the EEs, to Audit)

³⁹ Anandpur, Joda, Champua, Keonjhar and Barbil, in Keonjhar district; Rourkela, Rajgangpur, Biramitrapur and Sundargarh, in Sundargarh district; and Rairangpur, Baripada, Karanjia and Udala, in Mayurbhanj district

⁴⁰ Amount refunded by Rural Development Department, out of the funds of ₹50 crore released in 2015-16

From **Table 3.2**, it may be seen that the selected units had received ₹1,146.74 crore (earning interest of ₹1.07 crore thereon) during FYs 2017-18 to 2021-22, out of which ₹928.49 crore (80.96 *per cent*) had been utilised, for both rural and urban water supply projects, leaving an unspent balance of ₹219.32 crore.

3.2.1 Non-utilisation of funds under different Central and State schemes

As per information furnished by the PR&DW Department, the department had received funds under different Central and State schemes, for implementation of drinking water supply projects, and incurred expenditure thereon, during 2017-22, as detailed in **Table 3.3**.

Table-3.3: Funds received and expenditure incurred on Central and State schemes

(₹ in crore)				
National Rural Drinking Water Programme (NRDWP) ⁴¹				
Financial Year	Receipt	Expenditure	Balance	Percentage of expenditure
2017-18	300.00	199.23	100.77	66.41
2018-19	300.00	253.35	46.65	84.45
2019-20	720.97	720.97	0	100
2020-21	0	0	0	0
2021-22	0	0	0	0
Total	1,320.97	1,173.55	147.42	
Jal Jeevan Mission Programme (JJMP) ⁴²				
Financial Year	Receipt	Expenditure	Balance	Percentage of expenditure
2017-18	0	0	0	0
2018-19	0	0	0	0
2019-20	0	0	0	0
2020-21	2000	1204.01	795.99	60.20
2021-22	6000	3284.67	2715.33	54.74
Total	8,000	4,488.68	3,511.32	
Buxi Jagabandhu Assured Drinking Water to Habitations (BASUDHA) ⁴³				
Financial Year	Receipt	Expenditure	Balance	Percentage of expenditure
2017-18	750	739.48	10.52	98.60
2018-19	1400	1375.38	24.62	98.24
2019-20	3100	2080.29	1019.71	67.11
2020-21	3250	1848.59	1401.41	56.88
2021-22	2071.46	1696.88	374.58	81.92
Total	10,571.46	7,740.62	2,830.84	

(Source: Information received from the PR&DW department)

⁴¹ In 2009, the Accelerated Rural drinking Water Supply Programme was modified as the National Rural drinking Water Programme (NRDWP) with major emphasis on ensuring sustainability of water availability in terms of potability, adequacy, convenience and equity on a sustainable basis. The GoI launched the NRDWP to provide every rural person with adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis

⁴² The GoI launched (15 August 2019) Jal Jeevan Mission (JJM) which aims at providing Functional Household Tap Connection (FHTC) to every rural household by 2024. The programme focuses on service delivery at household level, i.e., water supply on regular basis in adequate quantity and of prescribed quality

⁴³ The GoO launched Buxi Jagabandhu Assured Drinking Water to Habitations (BASUDHA) to provide adequate water to the rural people for drinking and domestic purposes on a sustainable basis

From **Table-3.3**, it may be seen that the PR&DW department had failed to incur expenditure of ₹147.42 crore, ₹3,511.32 crore, and ₹2,830.84 crore, out of the total funds received under NRDWP, JJMP and BASUDHA, respectively, during the period 2017-22.

Scrutiny of records of OMBADC revealed that OMBADC had not assessed the actual requirement of projects in the mining affected eight districts, prior to sanction of projects under the drinking water sector, by taking into account the other Central and State rural water supply schemes already being implemented. Thus, submission of proposals for new water supply projects, out of OMBADC fund, had not been need-based. Since such funds could have been utilized in other priority sectors for tribal welfare, selection of projects, without need-assessment, was contrary to the objectives of the OMBADC fund.

In reply, the CEO, OMBADC stated (June 2023) that OMBADC acted as per Hon'ble Supreme court order and water supply is the prime tribal welfare activity. Regarding survey and preparation of DPR, the PR & DW department is the sole authority having expertise in their role. So, OMBADC checks only the overall feasibility and financial availability. The reply was not acceptable, since there was large unspent funds out of various Central and State schemes, which could not be utilised fully by the PR&DW Department. This indicated lack of co-ordination with the departments making the project proposals.

3.3 Rural Water Supply

3.3.1 Adhoc CAMPA fund, for rural water supply projects

As per the minutes of the 24th BoD meeting (August 2022) of OMBADC, total 215 PWS projects were to be executed at a total cost of ₹ 626.76 crore, out of the *adhoc* CAMPA fund. Audit observed deficient planning and delayed execution, as discussed in the succeeding paragraphs.

3.3.1.1 Deficient planning in execution of rural water supply projects out of Adhoc CAMPA fund

As per directions of the Hon'ble Supreme Court of India, OMBADC submitted the scheme for undertaking special tribal welfare and area development works, which *inter alia* included undertaking of water supply projects. Accordingly, the BoD, in its fourth meeting, approved (27 February 2016) ₹350.45 crore for provision of drinking water supply in the 469 villages affected by mining activities, without finalisation of the number of projects to be executed in such mining affected districts. Subsequently, the BoD revised (7th meeting on 16 June 2017) the project cost to ₹446.04 crore, with finalisation (11 January 2018) of 244 projects, to be implemented in 626 villages.

Scrutiny of records revealed that the BoD had held meetings on regular intervals and frequently revised the project cost, number of projects and number of villages to be implemented (from 4th BoD to 24th BoD). Finally, the BoD approved (24th BoD dated 23 August 2022) ₹626.76 crore for execution of 215 projects, which took more than six years for finalisation.

The chronological sequence of sanction of projects and revision of project cost, with final approval of projects, out of the *ad hoc* CAMPA fund is given in **Table 3.4**.

Table 3.4: Chronological events relating to sanction and revision of PWS projects under *ad hoc* CAMPA

BoD date	Villages to be covered	Total project cost (₹ in crore)	Number of Projects			Remarks
			Small PWS	Mega PWS	Total	
4 th meeting dated 27/02/2016	469 villages	₹350.45				Total project to be executed was not finalised.
8 th meeting dated 31/08/2017	691 villages (↑)	₹446.04				Number of villages and total project cost increased.
9 th meeting dated 11/01/2018	626 villages (↓)				244	Number of villages reduced to 626, due to 54 villages being proposed to be covered under other schemes and 11 villages having been relocated.
11 th meeting dated 06/06/2018	640 villages (↑)					Number of villages again revised, stating that, out of the 691 villages (as decided in 8 th meeting), 51 villages would be covered under other schemes.
16 th meeting dated 27/12/2019	591 villages (↓)	₹826.06	212	5	217 (↓)	Total number of projects reduced from 244 to 217.
		₹576.49	212	03	215	The approved project cost of 212 small PWS project was approved as ₹189.09 crore and five Mega PWS projects of ₹636.97 crore. However, it was decided that, due to insufficient <i>ad hoc</i> CAMPA Funds, the remaining cost of two mega projects of ₹249.57 crore would be borne out of the compensation fund, as ₹182.48 crore had already been spent out of the <i>ad hoc</i> CAMPA fund.
24 th meeting dated 23/08/2022	591 villages	₹626.76	212	03	215	The project cost of 215 projects was again increased, by allowing escalation.

(Source: Compiled by Audit from the Minutes of BoD meetings)

From **Table 3.4**, it is evident that OMBADC did not insist on conduct of proper survey for water sources and the number of villages to be covered under water supply projects by the implementing department. As such, OMBADC kept on modifying the scope of projects and funds allocation frequently, which indicated deficient planning and controls.

3.3.1.2 Execution of Small Piped Water Supply projects out of the *Ad hoc* CAMPA fund

As per information furnished by the Engineer-In-Chief (EIC), RWSS, the status of execution of 212 small PWS projects, as of 31 March 2022, was as detailed in

Table 3.5 (these projects had been approved in the 16th BoD meeting, held in December 2019, with the targeted date of completion being March 2021).

Table 3.5: Status of 212 Small Pipe Water Supply projects in 286 villages (as of 31 March, 2022)

(₹ in lakh)

Sl. No.	District	Name of Division	No. of project sanctioned	No. of project completed	No. of villages covered	Sanctioned Project Cost	Agreement value	Total Expenditure incurred
1	Keonjhar	Keonjhar	13	13	13	1,315.80	1,315.80	1,315.80
		Anandpur	13	13	27	926.80	910.03	1,244.91
2	Mayurbhanj	Rairanpur	17	17	18	1,921.15	1,431.51	1,758.44
3	Jharsuguda	Jharsuguda	8	8	8	475.75	350.72	317.21
4	Jajpur	Jajpur	2	2	2	160.88	152.25	158.22
5	Angul	Angul	95	93	118	14,230.49	13,139.68	9,541.32
6	Sundargarh	Sundargarh	2	2	14	1,024.55	1,024.55	670.00
7	Koraput	Koraput	58	58	70	2,625.33	2,343.48	2,356.92
8	Dhenkanal	Dhenkanal	4	4	6	266.56	266.56	266.56
Total			212	210	276	22,947.31	20,934.58	17,629.38

(Source: - compiled by Audit from the information received)

From **Table 3.5**, it may be observed that two projects, under the Angul RWSS division of Angul district, had remained incomplete. For one of these projects, namely PWS to Ghantapada (which had remained incomplete as of February 2023), the agreement executed on 10 February 2018, with the stipulated date of completion being 16 June 2020. For the other project, namely PWS to Dighipat, no funds had been released by EIC, RWSS, for its execution. This indicated that the projects were selected without feasibility study for which one project remained incomplete and no funds had been placed by EIC, RWSS for another project, after lapse of more than seven years from the date of sanction of the project.

In reply, the CEO, OMBADC stated (June 2023) that one project namely PWS to Ghantapada had been delayed due to site problems and public disturbances. The Projects would be completed within two months, as ascertained. The Project PWS to Dighipat under *Adhoc-CAMPA* was yet to be taken up. Regarding release of funds under *Adhoc-CAMPA*, the EIC releases funds as lumpsum amount for utilisation based on the requisition of the division. However, the fact remains that the projects were not taken up and the targeted population was deprived of the benefits.

3.3.1.3 Lack of proper survey led to stoppage of 27 small PWS projects

Scrutiny of records revealed that, out of 244 small PWS projects, approved (11 January 2018) for eight districts, no feasibility study had been done by the Department, for 27 small PWS projects, covering 49 villages (Angul: 12, Mayurbhanj: 03, Jajpur: 19 and Koraput: 15) before submitting the related project proposals. As a result, after incurring expenditure of ₹1.73 crore in four districts, these works had been stopped (August 2019) midway, due to non-availability of water sources, which led to unfruitful expenditure out of the OMBADC funds.

It was also decided that the above 27 projects would be included in the Mega PWS projects in phase-II. However, Audit noticed that no projects had been approved for 12 villages of the Angul district and 15 villages of the Koraput district, from the funds received in phase-II. Thus, 27 mining affected villages of two districts, had remained deprived of clean drinking water, through piped water supply projects.

In reply, the CEO, OMBADC stated (June 2023) that initially the projects were prepared and submitted with source of water taken as ground water. Subsequently, after drilling of production well, when it was found the ground water source for the said 27 projects would not be sustainable for supply of water round the year, the projects had been dropped midway to be taken up in subsequent phases with surface water as source. Regarding, projects earlier approved for 12 villages of Angul district and 15 villages of Koraput district, the same have been taken up under different projects *i.e.*, Basudha/JJM under saturation plan. The reply was not acceptable as the implementing agencies had not conducted proper survey to ascertain availability of ground water source for sustainability of the project before making a project proposal.

3.3.2 Status of Mega PWS projects under *ad hoc* CAMPA funding

Scrutiny of records revealed that, under *ad hoc* CAMPA funding, five PWS projects, in three districts⁴⁴, had been executed as Mega Piped water supply projects, for which dependable sources for water supply had been identified. Out of these five mega PWS projects, the EIC, RWSS, invited (September 2017) tenders for four projects in one package. The agreement therefore was executed in March 2018, with the stipulated dates of completion being between March and July 2020.

Similarly, the EE, RWSS, Sundargarh, invited (April and June 2018) tenders for one project, in two phases *i.e.*, for mega PWS to Jhagarpur and adjoining villages under Rajgangpur block and mega PWS to Bihabandha and adjoining villages under Rajgangpur and Kutra blocks. The agreements therefore, had been executed on 10 October 2018 and 17 January 2019, respectively. The status of these five mega projects, as on 30 September 2022 was as detailed in Table 3.6.

**Table 3.6: Status of five mega pipe water supply projects
(as on 30 September 2022)**

				(₹ in crore)		
Sl. No.	Name of Project (villages)	Actual number of Villages covered	Tendered cost	Date of commencement of agreement/ Stipulated date of completion/Extended upto	Actual date of completion	Payment made and delay as of 30 September 2022
1	2	3	4	5	6	7
1	Mega PWS scheme of 19 villages under Hatadihi Block	19	40.17	21/03/2018 / 20/03/2020 / 30/09/2020	30/09/2021	37.52 12 months

⁴⁴ Jajpur, Keonjhar and Sundargarh

Sl. No.	Name of Project (villages)	Actual number of Villages covered	Tendered cost	Date of commencement of agreement/ Stipulated date of completion/Extended upto	Actual date of completion	Payment made and delay as of 30 September 2022
2	Mega PWS to Kaliapani and 24 adjoining villages under Sukinda Block	31	79.56	21/03/2018 / 20/03/2020 / 30/09/2020	30/09/2021	72.64 12 months
3	Mega PWS to Basantour and adjoining 114 villages	115	194.5	21/03/2018 / 20/03/2020 / 30/09/2020	In progress	178.06 (24 months)
4	Mega PWS to Adaghat and 121 adjoining villages	122	237.55	03/07/2018 / 03/07/2020 / 30/09/2020	In progress	225.00 (24 months)
5	(i) Mega PWS to Jhagarpur and 10 adjoining villages under Rajgangpur block	11	35.73	10/10/2018 / 10/10/2020 / 17/01/2021	In progress	32.23 (20 months)
	(ii) Mega PWS to Bihabandha and 12 adjoining villages under Rajgangpur and Kutra blocks	13	34.80	17/01/2019 / 17/01/2021 / No change	In progress	30.19 (20 months)
Total		311	622.31			575.50

(Source: Information furnished by EIC, RWSS)

From **Table 3.6**, it may be seen that the EIC, RWSS, had executed agreements in respect of four projects, in one package (March 2018), after a lapse of more than 24 months from the date of approval of release of funds, *i.e.*, 27 February 2016. Similarly, the EE, RWSS, Sundargarh, had executed two agreements, for one project, with delays of 31 months and 34 months from the date for approval of release of funds.

The CEO, OMBADC, in a review meeting (20 May 2020), extended the stipulated date of completion of four mega projects upto 30 September 2020 and also extended the stipulated date of another mega project (Sl.No.5(i) in Table 3.7 above) (Mega PWS to mining affected 10 adjoining villages of Rajgangpur Block) upto 17 January 2021. However, it was noticed from the progress report that three out of five mega projects had not been completed, even as of 30 September 2022, *i.e.*, after a lapse of 20 to 24 months from the stipulated/ revised date of completion. Thus, due to non-completion of the mega projects in a timely manner, the households of 261 villages had remained deprived of access to clean piped drinking water.

In reply, the CEO, OMBADC stated (June 2023) that in regard to the water supply project of Kutra, and Rajgangpur, some villages were added subsequently with the original scheme. Moreover, the scope of intake well at Rajgangpur was changed from intake well to floating jetty as per the advice of water resources department. Due to these reasons the project had been delayed to some extent. However as of now, commissioning of water supply projects at Kutra had been started and commissioning of balance projects would start in August 2023.

The reply was not tenable, since the EIC had submitted the project proposal after a detailed survey for identification of feasible source of water. The change of scope of intake well during execution, indicates the planning flaws which delayed the commencement and completion of PWS projects, depriving the mining affected people to get the clean drinking water timely, as mandated by the Hon'ble Supreme Court of India.

3.3.3 Audit findings on test-checked projects

Audit test-checked records of 15 small PWS projects and two mega PWS projects, under two implementing agencies⁴⁵. The discrepancies noticed in Audit, are discussed in the following paragraphs.

3.3.3.1 Delays in completion of projects

Out of 15 small PWS projects, the EE, RWSS, Anandpur had executed 13 projects and EE, RWSS, Jajpur had executed two projects, to cover 29 villages. It was noticed that the projects had been completed with delay ranging from 49 to 636 days from their respective stipulated date of completion. The delays in completion were mainly attributable to the concerned contractors. Thus, an amount equal to 0.5 *per cent* of the estimated cost, for every day, if the whole work as shown in the tender, remained un-commenced or unfinished after the proper dates, was to be recovered from the contractors, as compensation, as per the Clause 61.12(a) of the agreements. As such, piped drinking water had not been supplied to the people of these mining affected villages in a timely manner.

In reply, the CEO, OMBADC stated (June 2023) that the delay in completion of PWS Projects was mainly due to dispute in selection site of source, pump house and Over Head Tank. There was also site dispute during laying up of pipeline along the roadside-villages, encroached by the villagers. It took time to resolve the local issues and site disputes, for which the execution got delayed. The reply was not acceptable as, in cases of ten projects under the EE, Anandpur Division, the department itself considered the delays to be on the part of the contractors and issued show cause notices, with instructions for timely completion of works.

3.3.3.2 Irregular splitting of estimates

Clause 3.5.24 of the OPWD code states that, wherever any work is executed by splitting up, the abstract of sanctioned estimate for the work should also be split up and approved by the competent authority, for facility of control over expenditure. Further, paragraph 3.5.10 of the above code stipulates that, all works given out on contract and with an estimated cost above ₹ five lakh, have to be undertaken as part of a scheme work, for which tenders have originally been invited publicly. The Works Department instructed (January 2009) that all tenders, costing ₹20 lakhs or above, be hosted in the e-procurement portal.

The Superintending Engineer (SE), Balasore, approved the technical sanction for 13 small PWS works, with estimated cost ranging from ₹ 1.08 crore to ₹ 1.58 crore (October 2017). Audit observed that the EE, RWSS, Anandpur, had split all

⁴⁵ EEs, RWSS, Jajpur and Anandapur

the 13 projects into 67 parts. Out of these, 57 tender call notices had been issued for approximate estimated costs below five lakh each, thereby avoiding wide publication, or hoisting in the e-procurement portal. The action of the EE, RWSS Anandpur, was in violation of the OPWD Code and departmental instructions and was indicative of the fact that transparency in the award of works had intentionally been bypassed.

In reply, the CEO, OMBADC stated (June 2023) that due to the different nature of works, the main PWS scheme had been split into three parts for smooth execution of works. The splitting of work had been done accordingly for early completion of work; each part had been put to tender with wide publication. Tenders had been evaluated to maintain transparency while awarding work to the L1 bidder. The reply was not acceptable since the SE, Balasore accorded technical sanction as 13 works, but the EE, RWSS, Anandpur executed the works by splitting the original works into 67 parts without approval of the authority competent to sanction the works.

3.3.3.3 Avoidable expenditure of ₹ 12.45 crore, due to overlapping of villages under small PWS and mega PWS projects

Scrutiny of records revealed that the BoD had approved (April 2019) 16 mega water supply projects, for four districts⁴⁶, in phase – II, out of the compensation fund, to cover 2,987 villages, at a cost of ₹ 4,229.05 crore.

It was observed that, in phase – I, under the *ad hoc* CAMPA fund, out of 212 small projects, covering 286 villages, 34 small projects had covered 50 villages, which had also been covered in five mega PWS projects, undertaken under phase – II, out of the compensation fund as detailed in the **Table 3.7**.

Table 3.7: Villages covered in both small as well as mega PWS projects

Sl. No.	Mega PWS project	No. of small Projects	No. of villages covered in small as well as mega PWS projects
1	2	3	4
1	Mega PWS to Champua, Jhumpura, Keonjhar and Banspal	04	06
2	Mega PWS to Hatadihi	13	27
3	Mega PWS to Jashipur & Raruan	02	02
4	Mega PWS to Kusumi	05	05
5	Mega PWS to Rairangpur	10	10
	Total	34	50

(Source: Project documents)

From **Table 3.7** and **Appendix - II**, it can be seen that 50 villages, which had already been covered under 34 Small PWS projects under the *ad hoc* CAMPA fund (Phase-I), had been overlapped by the five Mega PWS projects under the compensation fund (Phase-II), rendering the expenditure avoidable. Since village-wise expenditure details were not available, the total amount of avoidable expenditure could not be ascertained in audit.

⁴⁶ Keonjhar, Jajpur, Mayurbhanj and Sundargarh

However, during scrutiny of records of EE, RWSS, Anandpur, Audit observed that the EIC, RWSS, had awarded (November 2019) the work of execution of “Mega PWS to 200 mining affected villages of Hatadihi block of Keonjhar”, to M/s Nagarjun Construction Company (NCC) Limited, at a cost of ₹281.87 crore.

It was noticed that, out of the 200 villages of Hatadihi block, to be covered under the Mega PWS project, 27 villages of the Hatadihi block, had already been covered under 13 small PWS projects⁴⁷ in phase-I out of *ad hoc* CAMPA fund at the cost of ₹12.45 crore. Inclusion of these 27 villages in the scope of mega PWS project of Hatadihi block in phase-II resulted in avoidable expenditure of ₹ 12.45 crore.

Audit conducted joint physical verification (JPI), with the representative of SE, RWSS, in December 2022, of 86 households of five villages⁴⁸ and noticed that two Functional Household Tap Connections (FHTCs) had been provided to each household, *i.e.*, one for the small PWS project and another for the mega PWS project, as shown in the **Pictures 1 and 2** below.



Picture-1: Two taps provided to a household at Sangam village



Picture-2: Two taps provided to a household at Barigaon village

Since, the EIC, RWSS and EE, RWSS, Anandpur, had not conducted any survey before submitting their shelf of project proposals, and the PMU/ OMBADC had also failed to scrutinise the village lists, there was overlapping of villages covered under small PWS projects, executed out of the *ad hoc* CAMPA fund, and mega PWS projects, executed out of the compensation fund, rendering the entire expenditure of ₹12.45 crore avoidable, which could have been utilised for other mining affected villages, due to lack of monitoring and planning.

In reply, the CEO, OMBADC, stated that: (i) 13 small PWS Projects, covering 27 villages, had also been covered under Mega PWS, to 200 mining affected villages

⁴⁷ PWS to Berunapadi, Mauda, Mithigaon, Sadha, Marichipada, Newdani, Soso, Barigaon, Dhenka, Kaniari, Motaragadia, Purunapani and Sangam

⁴⁸ Barigon, Jhunjhuna, Kaniari, Matagadia and Mithigaon

under the Hatadihi block of the Keonjhar district, to supply treated bulk water to the small PWS Projects (ii) in small PWS Projects, ground water (Production well) has been taken as the source (iii) In this case, there is a possibility of depletion of ground water in the summer season (iv) the DPRs for small PWS Projects were prepared in the year 2017, taking the number of households as per the 2011 census. However, at the time of execution in the year 2018, some new households were created, due to separation of old households (v) therefore, to ensure sustainable sources, these small PWS projects had been integrated with Mega PWS Projects.

The reply was not acceptable because, as per the DPR, the design period of the projects was for 30 years (up to 2047) and the projected population for the design period was also considered. Further, during the JPI, two FHTCs were found to have been provided in each household. Hence, after due enquiry action needs to be taken on the officers responsible for provisioning of PWS arbitrarily leading to avoidable expenditure.

3.3.3.4 Non-finalisation of site for intake well delayed completion of project, with an additional cost of ₹6.16 crore

Clause 2.5.1 of the Request for Proposal stated that bidders were encouraged to submit their respective bids, after visiting project sites, for ascertaining the site conditions, location, surroundings, climate *etc.* As per the inter-departmental co-ordination committee decision (December 2018), the Revenue and Disaster Management (R&DM) Department had to play an important role in ensuring land availability for erection of structures like intake well, pump house and chemical house as also for laying of pipeline *etc.*, for piped water supply schemes. Further, Clause 3.7.4 of OPWD code Vol-I states that no work should be commenced on land which has not been duly handed over by a responsible officer.

Scrutiny of records revealed that the work for the proposed intake well, for the Bhuban block had to be commenced by the contractor on 21 March 2018 with stipulated date of completion of the work on 20 March 2020. The location for the proposed intake well had been revised twice, from Rangamatia to Kirtanpur, and from Kirtanpur to Bauli, under the Sukinda block. The change in sites was due to non-acquisition of the proposed land and resistance by local people. Since the site had been changed twice, the contractor (M/s NCC) had to survey the sites each time and permission had to be obtained from different departments, in each occasion, for construction and laying of pipelines.

After finalisation of the site on the third occasion, the contractor commenced work for intake well in October 2019 *i.e.*, after a lapse of more than 18 months from the original date of commencement of the work (March 2018) and claimed an extra amount of ₹6.16 crore (January 2020) for the change of site. The EIC recommended (February 2022) sanction of this amount, with the reason that, due to change in location, the contractor had to redesign raw water pumping main *etc.* After approval of the Government (April 2022) and OMBADC (August 2022), the extra cost of ₹6.16 crore was paid (October 2022) to the contractor.

This indicated that the selection of site, preparation of DPR and survey by the contractor, prior to submission of bid, had not been done in consultation with the villagers, stakeholders, representatives of the PRI *etc.* due to which, the site had to be changed twice, and completion of the project was delayed by 18 months, with an additional cost of ₹6.16 crore.

In reply, the CEO, OMBADC, stated that the location of the intake well had been changed thrice, due to public protest. The claim of the contractor for additional cost due to change of location of source was found to be genuine and accordingly additional cost of ₹6.16 crores was approved by Government. The reply was not acceptable, since the EIC, RWSS, had accepted the Preliminary Design Report (PDR) prepared and submitted by the bidder, without consultation with the local public and representatives of PRIs, for finalisation of source of water location. Further, the contractor had been allowed to execute the work before finalization of the site, in violation of the OPWD code.

3.3.3.5 Operation and maintenance of small PWS projects

Clause 60.16 of the standard contract agreement executed with all contractors of PWS works stipulated that the Memorandum of Understanding (MoU) would need to be developed and agreed upon by the EE, RWSS; Block Development Officer of Panchayati Raj Department; and the concerned contractor, for maintenance of the PWS project for five years. Clause 60.18 of the agreement stated that the contractor was to deposit the amount quoted for the maintenance/O&M period in the form of five National Saving Certificates (NSC), as per payment schedule⁴⁹ mentioned in clause B of addendum to special condition of contract, duly pledged in favour of the EE, before the payment of the final bill of the work. Further, clause-B, under the addendum to special conditions of contract, stipulated that the contractor had to be paid 30 *per cent* of the O&M cost, on successful completion of the first year's O&M.

Scrutiny of records of 15 small PWS projects, executed under two of the sampled divisions⁵⁰, revealed that, although the projects had been completed, payments towards O&M cost had not been made to the contractor, as per the terms of the agreement. Both the divisions had also not executed tripartite MoUs with the respective contractors and the concerned BDOs, for undertaking O&M of these projects for five years.

Although the EE, RWSS, Anandpur, had handed over all the 13 projects, to the concerned Gram Panchayats (GPs) (March 2019 to June 2021), maintenance of the projects had not been carried out, due to non-payment of the O&M cost to the

⁴⁹ 30 *per cent* on successful completion of first year O&M, cumulative 45 *per cent* on successful completion of second year O&M, cumulative 60 *per cent* on successful completion of third year O&M, cumulative 75 *per cent* on successful completion of fourth year O&M, cumulative 100 *per cent* on successful completion of fifth year O&M

⁵⁰ EEs, RWSS, Anandpur (13 projects) and Jajpur (2 projects)

contractors. The EE, RWSS, Jajpur, had, on the other hand, not handed over (as of December 2022) the two PWS projects, to the concerned GPs.

Joint physical verification was conducted (January 2023), along with representatives of the PR&DW Department, of the project at Mithigaon village along with the other five villages of the Hatadihi block and it was observed that, in six projects⁵¹ out of these 13 projects, while three Pump operators had been engaged, they had not been paid any remuneration by the contractors since the last one and half years (as stated by the Sarapanchas of respective Gram Panchayats). Four households, under PWS to Mithigaon, had not been provided any piped water connection. There was also some leakage in the distribution lines, as shown in **Pictures 3 and 4** below.



Picture- 3 and 4: Leakage and broken tap of the households at Mithigaon Village of Hatadihi block

Similarly, during joint physical verification (February 2022) of the two PWS projects under the Sukinda block, along with the representatives of the PR&DW Department, it was noticed that the contractor had not provided any staff, such as pump operator, fitter, helper, watchman *etc.*, for maintenance work.

In Bambilo and Bandhagaon villages, the pumps were not functioning properly. After running for 10 to 15 minutes, these were getting tripped off, for which the Overhead Tanks were not filled fully from the underground production wells to generate required pressure to supply water through distribution system. As such, water was not reaching at the tail end of both the villages, due to which water supply was not being provided to households farthest from the pumping stations. Also, there was no water treatment



Picture-5: Defunct treatment unit and pump house at Bambilo village

⁵¹ PWS to Mouda, Mithigaon, Sadha, under Sadha GP and PWS to Barunapadi, Nimdani and Soso, under Soso GP

unit at Bambilo, implying that water was being supplied to the villagers without the required treatment.

As the EEs had failed to maintain the PWS projects, supply of clean drinking water, to all households, had not been ensured. Hence, the longevity and sustainability of the 15 small PWS projects, set up with an expenditure of ₹14.03 crore, in the Jajpur and Anandpur divisions, was doubtful.

In reply, the CEO, OMBADC, stated (June 2023) that there was some problem regarding release of O&M cost which had been resolved and now releasing the O&M cost to the agencies on regular basis. As regards the villages Bambilo and Bandhagaon in Jajpur division, the work is on the verge of completion. The operation and maintenance of the scheme will start after issue of completion certificate. The reply is not acceptable, since no maintenance had been carried out by the contractors after completion of the projects, though this was part of the agreement. Besides, it was also noticed that the contractors had not posted the required staff in terms of the agreement. Without ensuring the posting of required staff and proper maintenance, mere payment to the contractor, did not constitute proper compliance.

3.3.3.6 Operation and maintenance of two Mega PWS projects

Scrutiny of records of two mega PWS projects⁵², executed under two selected RWSS divisions of Anandpur and Jajpur, revealed that the projects had been completed on 30 September 2021 and O&M costs, amounting to ₹72 lakh and ₹54 lakh, respectively had been paid to the contractors.

Further, it was noticed that the AE, RWSS, Jajpur, had observed (April 2022) that water was not reaching 11 villages out of 37, after five months of the issue of certificate of completion. It was also noticed by Audit, during joint physical verification with the representative of the Department, in the villages of Ransol, Baragachhi, Kalangiata, Mahakul, that water was not reaching these villages. It was also found that, in Kalangiata village, the contractor had not extended tap connections. Thus, the benefit of clean drinking water had not reached the targeted beneficiaries, defeating the objective behind setting up mega PWS projects.

In reply, the CEO, OMBADC, stated (June 2023) that, after the physical verification of the audit team, all the villages had been covered with distribution network, with FHTC connection to all the households and water supply had covered the entire area without any leftover households. The reply was not acceptable, since supply of water to 11 out of 37 villages, had remained incomplete. Issue of completion certificates and payment of O&M charges, as per agreements, was irregular and constituted extension of undue benefit to the contractors.

⁵² *Mega PWS to 20 mining affected villages under Anadpur block of the EE, RWSS, Anadpur and Mega PWS to 37 mining affected villages under Sukinda block of the EE, RWSS, Jajpur*

3.3.4 Mega PWS projects under the compensation fund

Scrutiny of records revealed that the OMBADC had approved (April 2019 to June 2021) 28 mega PWS projects, out of the compensation fund at an overall project cost of ₹7,006.55 crore, to cover the mining affected villages of four districts⁵³. The district-wise projects sanctioned and households proposed to be covered, are given in **Table 3.8**.

Table 3.8: District-wise projects sanctioned and households to be covered

(₹in crore)

District	Number of projects sanctioned	Project cost	Agreement cost	Villages were to be covered (In number)	Households were to be covered (In number)
1	2	3	4	5	6
Keonjhar	3	1,950.81	2,438.18	1,702	2,87,145
Mayurbhanj	13	2,607.54	1,922.41	2,023	2,78,097
Jajpur	2	156.05	153.19	71	22,611
Sundargarh	10	2,292.15	2,226.89	1,565	3,15,545
Total	28	7,006.55	6,740.68	5,361	9,03,348

(Source: Information furnished by the OMBADC)

Deficiencies noticed during audit, are discussed in the subsequent paragraphs.

3.3.4.1 Delay in completion of mega PWS projects

The existing construction contract awarded by the Government Departments, Public Sector Undertakings (PSUs) on conventional item rate basis tend to suffer significant time and cost over-runs, that not only add to infructuous Government expenditure, but also delay the provision of desired services to the public. Therefore, it was instructed (September 2013) by the GoO to adopt Engineering, Procurement and Construction (EPC) mode in civil construction works above ₹25 crore which was revised (January 2015) to ₹50 crore.

Scrutiny of records revealed that the EIC, RWSS, had invited separate tenders during August 2018 to September 2021 for these 28 projects, for execution in the Engineering, Procurement and Construction (EPC) contract mode, at an agreement cost of ₹6,740.67 crore, with stipulation that the work be completed between March 2021 and June 2024 as detailed in **Appendix -III**. On scrutiny of the tender files, it was noticed that the EIC, RWSS, had taken 218 to 281 days, for invitation of tenders for 10 projects, as detailed in **Appendix -IV**, under five packages, which had been approved by the OMBADC on 22 December 2020. Thus, delays in inviting the tenders had delayed commencement of the projects. However, the tenders for the remaining 18 projects had been invited within three months from their date of sanction.

Further, it was noticed that the EIC, RWSS, had executed 28 agreements, between 15 February 2019 and 13 June 2022, out of which, 16 projects were to be completed by April 2022. However, these works could not be completed as scheduled, due to which, the BoD had allowed (August 2022) extension of time

⁵³ Jajpur, Keonjhar (Includes Pallahara block of Angul district), Mayurbhanj and Sundargarh

(EoT), for completion of the said projects, between 30 November 2022 and 31 March 2023. The physical progress of those works ranged from 64 *per cent* to 95 *per cent*, as of September 2022. Thus, despite following the EPC mode of contract, with the specific objective of avoiding delays, leading to significant cost and time overruns, the intended beneficiaries had remained deprived of clean drinking water due to delay in project completion (as of September 2022).

In reply, the CEO, OMBADC, stated (June 2023) that: (i) the delay in inviting tender had occurred due to some technical modification in the DPRs (ii) during execution of the project, the department had faced several issues in obtaining clearance from various departments *etc.*, and (iii) sometimes there had been public agitation in finalisation of land. However, the fact remained that there was delay in completion of projects, leading to cost and time overruns depriving the mining affected population of the State, of the intended benefits of these projects.

3.3.4.2 Excess payment to contractor, in the execution of mega PWS, to 19 villages under the Sukinda block

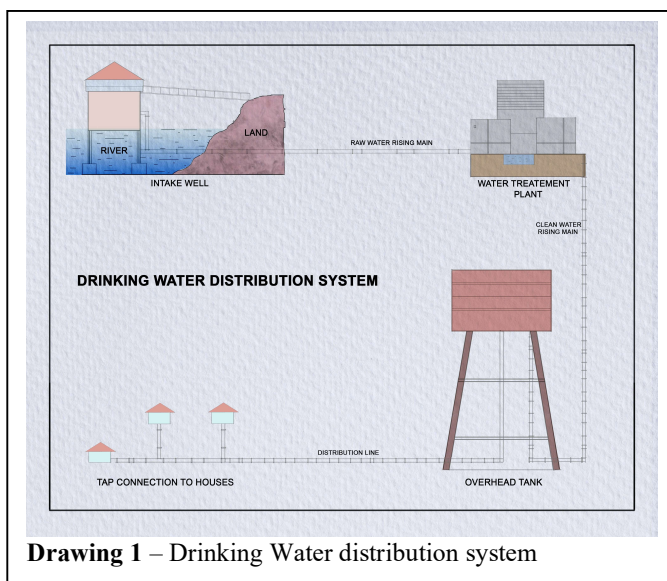
Scrutiny of records revealed that the EIC, RWSS, had executed (November 2019) an EPC contract agreement, with a contractor, for execution of mega PWS project for 19 mining affected villages of the Sukinda block, for completion by November 2021, at a cost of ₹46.19 crore. The Payment Breakup Schedule of the EPC contract *inter alia* included the payment to be made for construction of intake well and water treatment plant. The work was yet to be completed (December 2022).

Audit observed that an EPC contract agreement had been executed with the same contractor (March 2018), for execution of another mega PWS project, for 37 villages in the Sukinda block, under the *ad hoc* CAMPA fund, at a cost ₹ 79.55 crore. The Payment Breakup Schedule of this EPC contract *inter alia* included the payment to be made for construction of intake well and water treatment plant. The work had been completed (September 2021) at a total cost of ₹ 72.64 crore.

It was noticed in audit that the feasible source of both projects was at Rangamatia (River Brahmani) of the Bhuban block. It was also noticed that, while no separate intake well and WTP had been constructed for mega PWS to 19 villages, the contractor had constructed one intake well and one Water Treatment Plant (WTP) for supplying water to both the projects⁵⁴.

⁵⁴ Mega PWS project for 37 villages and mega PWS project for 19 villages

On scrutiny of the 21st RA Bill of mega PWS for 19 villages, it was revealed that the contractor had not claimed any payment for these Raw Water Head works, i.e., (i) construction of intake well⁵⁵, including other ancillary works (ii) supply of pipe and pipe fittings and jointing etc., from the Raw Water Raising Main⁵⁶ to the Water Treatment Plant⁵⁷ (WTP) and (iii) construction of required



Drawing 1 – Drinking Water distribution system

capacity of WTP with ancillary works. However, the contractor, in order to recover the cost of reduced items, had enhanced the *percentage* in the price break-up schedule, in the 21st RA bill, in violation of the contract agreement, for four items, i.e., (i) supplying pipe and pipe fittings from the Clear Water Raising Main⁵⁸ (CWRM) to the Elevated Service Reservoir⁵⁹ (ESR) (ii) design, construction, testing and commissioning of ESR (iii) supplying of HDPE pipes and fitting for distribution net and (iv) construction of compound wall around the ESR. Increase in the price break-up *percentage*, for four items of works, had resulted in excess payment of ₹15.16 crore to the contractor, as detailed in **Appendix-V**.

In reply, the CEO, OMBADC, stated (June 2023) that: (i) in the original DPR, there was no provision for intake well, WTP or raw water raising main (ii) since the agreement had been made for four works, including this project, in the usual manner, erroneously, provision for intake well, WTP and raw water raising main had been made in the price breakup (iii) this was subsequently detected and rectification made in the revised price breakup (iv) as such, there was no excess payment. The reply was not acceptable, as detection and rectification of error in the price breakup was neither found available on records during audit, nor was it supported by any document in the reply. However, inclusion of erroneous

⁵⁵ It is a RCC structure constructed near river/ dam/ reservoir to collect raw water through it and supply water to Water Treatment Plant through raw water pipe line

⁵⁶ It is pipe line connected between intake well and Water Treatment Plant to supply raw water from intake well to WTP

⁵⁷ Water Treatment Plant is constructed with an aim to purify the raw water and improves the quality of water to make it appropriate for safe drinking water purpose

⁵⁸ It is a pipe line connected to draw clear water from WTP to overhead Reservoir

⁵⁹ Elevated Service Reservoir is used for water storage at higher elevation i.e., on a certain height to supply water to the village through gravity system. The tank may be built on any material like RCC/Steel or Plastic

provisions in legally binding agreement indicates the casual approach of OMBADC and lack of financial prudence in utilisation of public funds. Responsibility needs to be fixed on the officers for the excess payment, and the excess paid amount of ₹15.16 crore needs to be recovered from the contractor.

3.3.4.3 Mega PWS projects for 200 villages of the Hatadihi block

As per Clause 8.2.1 of the agreement for ‘Execution of Mega PWS to the 200 mining affected villages of Hatadihi block of Keonjhar district’, the Authority representative and the contractor shall, within 10 days of issue of letter of award (LoA), inspect the site and prepare a memorandum containing an inventory of the site including the vacant and unencumbered land, buildings, structures *etc.*, However, the contractor was to decide the site condition, soil strata and its characteristics. As per schedule-B under Annexure-1 of the agreement, the feasible source of the water supply project was at the Hadagarh dam. Further, Clause 1.2.3 of the Request for Proposal (RfP) stated that the preliminary Water Supply Project report will be prepared by the bidder and submitted along with the bid. Clause 1.2.5 of the RfP states that during bid stage, bidders are advised to examine the projects in greater detail and to carry out, at their cost, such studies as may be required for submitting their bids for award of contract including implementation of the project.

Scrutiny of records revealed that the mega PWS project for 200 villages of the Hatadihi block, had been awarded (November 2019) to a contractor, at a cost of ₹281.87 crore, with the stipulated date of completion being on or before November 2021. In this regard, it was noticed that, as of October 2022, although other components of the project had been completed, the project had not been commenced, due to non-construction of the intake well. The delay in execution of the intake well was due to non-finalisation of the site for the intake well.

The contractor intimated (January 2020) the EE, RWSS Division, Anandpur, that, during the tender, the preliminary design report had been submitted by considering the feasible source for withdrawing surface water, as being the river Salandi (from upstream of Hadagarh dam). However, during a subsequent site visit, it was observed by the contractor that the structure height of the intake well was to be at least 45 meters, from the foundation, to the pump floor level. As such, it was not technically feasible to construct the intake well inside the dam. Hence, the contractor requested for a new location for the intake well at the Salandi river, near the Bidyadharpur barrage, as also for allowing commencement of the design activities, with the new proposed intake well location.

The CE, while rejecting the request of the contractor, intimated (July 2020) that, either a floating jetty type intake well structure or RCC intake structure, for drawal of water, from the reservoir at the Hadagarh dam, had been suggested by the technical committee. The contractor, accordingly, submitted (August 2020) a concept drawing for the floating jetty, which was approved (December 2020) by the EIC.



Picture-6: Floating jetty type intake well



Picture-7: RCC structure intake well

Subsequently, the EE intimated (September 2022) that the structure be constructed upstream of the Bidyadharpur barrage site at Salandi river, in order to draw 21.36 MLD water, permitted by the Water Resources (WR) Department as had been proposed by the contractor previously (January 2020). Audit noticed that as per the progress report (October 2022), 75 *per cent* of the required material was delivered at the work site. Due to change of location and design of the intake well, the payment of ₹4.99 crore (30th RA bill) out of ₹13.42 crore, made to the contractor resulted in avoidable expenditure of ₹4.99 crore and delay in providing clean drinking water to 200 villages.

In reply, the CEO, OMBADC, stated (June 2023) that the expenditure incurred for intake well at the earlier location, for an amount of ₹4.99 crore, would be adjusted at the new location for the construction of intake well. The reply was not acceptable, as the delivered material was for floating jetty type intake well and, at the new location, RCC structure intake well was to be constructed. Since, the design and specifications of both the intake wells were different, utilisation of the material procured for the floating jetty type intake well, in RCC structure intake well, was doubtful.

3.5 Monitoring and supervision

3.5.1 Non-maintenance of Asset Register

Clause (vi) of the guidelines for project monitoring, issued by the OMBADC, states that a record, of any permanent or semi-permanent asset, created out of the funds provided by the OMBADC, for the project, should be maintained and audited by an agency or the Department, in terms of the extant rules and procedures. The term ‘assets’ includes immovable and movable property of a capital nature.

On scrutiny of records of four RWSS Divisions, it was noticed that the EE, RWSS Division, Jajpur, had maintained an asset register for only one mega PWS project, out of three completed projects. However, the other three Divisions, namely EE, RWSS, Anandpur (14 completed projects), SE, PH, Cuttack (11 completed projects) and SE, PH, Keonjhar (one completed project) had not maintained any

asset register for 26 completed projects. Non-maintenance of Asset Registers had led to absence of vital information, such as the department/agency authorised to utilise/operate and monitor the assets, value of the assets and depreciation thereon *etc.*

In reply, the CEO, OMBADC, stated (June 2023) that the asset register would be maintained.

3.5.2 Non-maintenance of Land records

Scrutiny of records revealed that the EIC, RWSS, had issued (February 2020) instructions to all implementing agencies, to prepare a database on the land records of all PWS, including Mega PWS, pump house, WTP, ESR and intake wells, and to submit the same to EIC, RWSS.

Scrutiny of records of selected units revealed that the implementing agencies had not prepared any database for the land acquired/ alienated, for construction of PWS projects, out of the OMBADC Funds. Non-maintenance of database mentioning village name, khata number *etc.*, in respect of the land acquired for implementation of projects, would be fraught with risk of future legal complicity. In reply, the CEO, OMBADC stated (June 2023) that the land records would be maintained.

3.5.3 Non-furnishing of project completion certificate

As per the OMBADC guidelines (February 2018), the line departments were required to submit completion reports of projects to OMBADC.

It was observed that, in respect of water supply projects, four implementing agencies had executed 35 projects, out of which 29 projects had been completed. Of these completed projects, two PIAs (EE, RWSS divisions, Jajpur and Anandpur) had issued the completion certificates for one project each (Mega PWS to 31 villages under RWSS, Jajpur and Mega PWS to 19 villages under RWSS, Anandpur). In regard to the balance 27 completed projects, neither had the concerned PIAs issued the completion certificates nor had the OMBADC insisted upon the same. Since the work includes O&M for five years, in the absence of completion certificate, the date of actual commencement of O&M could not be ensured.

In reply, the CEO, OMBADC stated (June 2023) that efforts are being made to complete the projects early and to submit project completion certificates. However, the concerned PIAs had intimated to Audit, that these projects had already been completed (September 2022).

3.5.4 Lack of monitoring

Para (b) of the guidelines, issued (September 2018) by the OMBADC, stipulates that OMBADC shall monitor the projects and their implementation and the concerned line department shall nominate one nodal officer, for coordination with the OMBADC, regarding the progress of project implementation.

The PR&DW and H&UD departments did not furnish any supporting documents, in regard to review of progress of the projects of PWS, implemented out of

OMBADC funds, though sought for by Audit. This indicated that coordination and monitoring, between the OMBADC and the line departments, in regard to the progress of various projects under implementation, had not been carried out, as envisaged under the guidelines. This was likely to have had an adverse impact on the timeliness of project implementation.

In reply, the CEO, OMBADC stated (June 2023) that henceforth the proceedings of such reviews undertaken by PIAs would be shared with OMBADC.

3.5.5 Non-framing of policy for operation and maintenance of the rural water supply projects

The OMBADC (January 2021) had intimated the Government that, since all drinking water projects, funded by the OMBADC, were high value projects, the PR&DW Department must share the sustainability plan and strategy for meeting the O&M for these projects. However, the PR&DW Department, did not furnish any such plan or strategy to Audit, though sought for, indicating that no specific plan or strategy was in place, for meeting the O&M costs.

In regard to framing policy for the operation and maintenance of the completed PWS projects sanctioned out of OMBADC fund, the Department stated that effective maintenance of the functional PWS assets would be ensured through levy of user charges by the executing agencies.

In reply, the CEO, OMBADC stated (June 2023) that a comprehensive policy for operation and maintenance of piped water supply scheme is under preparation.

Recommendations:

Government may consider:

- 6. Assessing the actual requirement of drinking water projects, in the mining affected areas of the districts covered under OMBADC, and expediting the works under drinking water projects.*
- 7. Conducting proper surveys, before taking up PWS projects, to avoid overlapping of villages of small PWS and mega PWS, and also ensuring inclusion of the villages of mining affected areas only, in the drinking water supply projects funded by OMBADC.*
- 8. OMBADC needs to devise a monitoring mechanism to ensure proper Operation and Maintenance for functioning of the projects upto their design life.*
- 9. Preparing DPRs and conducting proper surveys before selecting sites for intake wells for water supply projects, to avoid changes in location of sites and the consequent extra expenditure.*
- 10. Inviting tenders in a timely manner, for all projects, to avoid delays in the commencement of water supply projects.*
- 11. Online maintenance of asset registers with proper validation to avoid duplication of resources created under various projects.*
- 12. Ensuring that the executing agencies maintain asset registers and land records.*

CHAPTER-4

HOUSING SECTOR

This chapter contains audit observations relating to the housing sector, deficiencies in the planning process, non-refund of balance amounts after closure of project, non-allotment of pucca houses to eligible beneficiaries, non-completion of pucca houses, non-provision of electricity and improper monitoring of projects.

4. Introduction

The Forest, Environment and Climate Change (FE&CC) Department, Government of Odisha, had decided (February 2016) to utilise the resources of the OMBADC, for addressing the needs of: (i) housing for all, (ii) provision of drinking water, including piped water supply, to all households and (iii) sanitation, for all the mining affected villages, in eight districts⁶⁰. In this endeavour, the Government had prioritised allotment of *Pucca* houses to eligible households, in the villages affected by mining activities. The Panchayati Raj and Drinking Water (PR&DW) Department had been entrusted with the responsibility of arriving at the actual numbers/ names of villages, by means of ground surveys through field functionaries. Audit test-checked the records of three sampled blocks, under two districts⁶¹, and conducted Joint Physical Inspection (JPI) in six villages, under three blocks⁶², to ascertain the procedure for planning/ selection of projects, selection of beneficiaries and implementation of housing projects, under OMBADC.

The existing Biju Pucca Ghar Yojna was reintroduced (February 2016) as the Biju Pucca Ghar Yojana (Mining), for the mining affected people in mineral bearing districts covered under OMBADC. The objective of the scheme was to provide pucca houses to all eligible kutcha households in all the mining affected villages of eight mineral bearing districts. The target group was the households not having pucca house and not availed a pucca house under any scheme of the Government or through rehabilitation measures. The unit cost was ₹1.30 lakh and ₹1.20 lakh for Integrated Action Plan⁶³ (IAP) Districts and Non-IAP districts, respectively.

⁶⁰ Angul, Dhenkanal, Jajpur, Jharsuguda, Keonjhar, Koraput, Mayurbhanj and Sundargarh

⁶¹ Joda and Jhumpura blocks under the Keonjhar District and Lakhanpur block, under the Jharsuguda District

⁶² Uliburu and Dhanurjaypur, under the Joda block; Kaijoda and Jaypur under the Jhumpura block; and Chuipalli and Kirarama, under the Lakhanpur block

⁶³ Integrated Action Plan (IAP) for 60 Selected Tribal and Backward Districts of whole country was approved (December 2010) by the GoI out of which, 15 districts are in Odisha. The scheme comprises Additional Central Assistance (ACA), on 100 per cent grant basis and the funds are placed at the disposal of the Committee headed by the District Collector and consisting of the Superintendent of Police of the District and the District Forest Officer to draw up a plan consisting of concrete proposals for public infrastructure and services like

The houses were to be constructed by the beneficiaries themselves and to be completed within one year from the date of credit of first instalment. After selection of eligible beneficiaries, the work orders are issued along with release of first instalment of ₹20,000 for construction of house. The nomenclature of the scheme was changed to Pucca Ghar Yojana (PGY) (Mining) from 09 May 2018.

4.1 Planning

The Board of Directors (BoD), in its 4th Board meeting (February 2016), approved fund requirements of ₹344.99 crore for providing 45,999 housing units in the 534 mining affected villages, under 29 blocks of the eight mining affected districts, as submitted by PR&DW Department.

Subsequently, during implementation of the scheme, the Department intimated (May 2017) OMBADC that, the total fund requirement would be ₹402.03 crore, for construction of 29,829 houses in 691 villages. As per State funded Pucca Ghar Yojana Scheme, launched since 2014, the unit cost of houses was ₹75,000 for Integrated Action Plan (IAP) districts and ₹70,000 for non-IAP districts. However, Government revised (27 April 2016) unit cost from ₹75,000 to ₹1,30,000 for IAP districts and from ₹70,000 to ₹1,20,000 for non-IAP districts. The OMBADC approved (22 June 2016), the above revised unit cost of houses in the 5th Board meeting.

4.1.1 Deficiencies in planning process

The FE&CC Department directed (10 February 2016) the Collectors of the eight districts, to finalise the list of eligible households, by 22 February 2016.

Scrutiny of records, in the Jhumpura and Joda blocks, under the Keonjhar district, revealed that Project Director (PD), District Rural Development Agency (DRDA), Keonjhar, had intimated (06 February 2016) the Department regarding requirement of 2,305 pucca houses, in 31 villages of five Gram Panchayats (GPs) under the Jhumpura block and 10,577 pucca houses, in 115 villages of 15 GPs, under the Joda block. However, the basis of arriving at such figures was not found available on records of Jhumpura and Joda Blocks.

The above initial target of 2,305 houses, to be constructed in the Jhumpura block, was revised by Project Director (PD)⁶⁴, District Rural Development Agency (DRDA), four times, before arriving at the final target of 3,192, in January 2020. However, reasons for increase in the target were not found available on records. Similarly, in the Joda block, the initial target of 10,577 houses, was reduced to 3,487 on the ground that the beneficiaries had not taken up construction, even after receipt of the first installment for construction of house.

Further, scrutiny of the Gram Sabha register of the Balagoda GP, under the Joda block, revealed that the Gram Sabha had recommended (April 2017) three

Drinking Water Supply, Village Roads, Electric lights in public places such as PHCs and schools, etc.

⁶⁴ As per the Scheme Guidelines, PD (DRDA) was responsible for implementation of the scheme at district level

names⁶⁵ for housing projects. However, the list of targeted houses of the block included 286 names in respect of Balagoda GP, but these recommended names had not been included. This was indicative of an arbitrary selection process. The Gram Sabha register of Balani GP, under the Joda block, was not made available to Audit, for scrutiny.

Similarly, scrutiny of the Gram Sabha register of the Basantpur GP under the Jhumpura block, revealed that 652 beneficiaries had been listed under housing scheme. However, as per the list provided by the BDO, 666 beneficiaries had been listed for allotment. The Gram Sabha register of the Kutugaon GP, under the Jhumpura block, did not indicate that any beneficiaries had been selected.

However, for the entire district of Keonjhar, the initial target of 23,006 houses had been reduced (February 2016) to 13,563 (41.05 *per cent*) and further reduced (November 2016) to 10,957 (19.21 *per cent*). The target was, thereafter, increased (December 2016) to 14,317 (30.67 *per cent*), further reduced (October 2018) to 13,362 (6.67 *per cent*) and again increased (January 2020) to 14,237 (6.55 *per cent*). This indicated that the selection of beneficiaries had not been done in a planned manner, due to which, there had been multiple revisions, with wide variation of targets, during the period of implementation, *i.e.*, February 2016 and January 2020, as shown in **Table 4.1**.

Table 4.1: Multiple revisions and wide variations in targets of PGY (Mining) houses

Block	Initial Target number of PGY (Mining) house	1st revision of target	Percentage of variation over initial target	2nd revision of target	Percentage of variation over 1st revision	3rd revision of target	Percentage of variation over 2nd revision	4th revision of target	Percentage of variation over 3rd revision	5th revision of target	Percentage of variation over 4th revision
1	2	3	4	5	6	7	8	9	10	11	12
Banspal	2325	579	-75.10	693	19.69	693	0	690	-0.43	690	0.00
Harichandanpur	2412	790	-67.25	360	-54.43	420	16.67	418	-0.48	418	0.00
Hatadihi	5387	4606	-14.50	3200	-30.53	6500	103.13	5614	-13.63	6450	14.89
Jhumpura	2305	2973	28.98	3204	7.77	3204	0	3153	-1.59	3192	1.24
Joda	10577	4615	-56.37	3500	-24.16	3500	0	3487	-0.37	3487	0.00
Total	23006	13563	-41.05	10957	-19.21	14317	30.67	13362	-6.67	14237	6.55

Thus, the selection of eligible beneficiaries, had not been carried out properly in selected two blocks and four GPs. Further, targets were set by DRDA, without considering ground level data from the block, due to which, the target set by PD, DRDA, Keonjhar, was modified multiple times.

In reply, CEO, OMBADC, stated (June 2023) that: (i) meticulous planning at all levels of implementation had led to be success in PGY(M) and (ii) the initial target had been revised to provide houses in the saturation mode and to ensure that no ineligible is sanctioned house and no eligible HH was left out from the process. The reply was not acceptable, as four revisions had been made for

⁶⁵ 1) Rinki Birua 2) Purnami Mohanta and 3) Dabajani Tiwari

selection of beneficiaries. Further, the targets once set, had been subsequently reduced, due to the beneficiaries not having completed the construction of houses within the stipulated time, after availing of the first installment.

4.2 Financial Management

4.2.1 Receipt and utilisation of funds

Towards implementation of the housing scheme Pucca Ghar Yojana (Mining) in the eight mineral bearing districts, the CEO, OMBADC, released ₹402.03 crore, out of the *adhoc* CAMPA fund, to the PR&DW Department, during FYs 2015-16 to 2017-18, which was utilised during 2015-22. The utilisation of this amount, during the period, under the PGY (Mining), was as given in **Table 4.2**.

Table 4.2: Receipt and utilisation of funds

(₹ in crore)

Financial Year	Opening Balance	Receipt	Total	Utilisation of fund	Closing Balance
2015-16	0.00	150.00	150.00	0.00	150.00
2016-17	150.00	100.00	250.00	154.21	95.79
2017-18	95.79	152.03	247.82	149.35	98.47
2018-19	98.47	0.00	98.47	50.62	47.85
2019-20	47.85	0.00	47.85	17.65	30.20
2020-21	30.20	0.00	30.20	10.62	19.58
2021-22	19.58	0.00	19.58	5.64	13.94
Total		402.03		388.09	

(Source: Records of the PR&DW department)

In this context, Audit noticed the following:

4.2.1.1 Non-refund of unutilised balance after closure of housing project

In the 14th BoD meeting (April 2019) of OMBADC, it was decided that out of 29,829 houses to be constructed out of the *adhoc* CAMPA funds, 3,605 pending houses, were to be completed by the end of June 2019. In the 15th BoD meeting (August 2019), the Board decided that funds pertaining to incomplete houses which were not completed due to various reasons, should be refunded by the PR&DW department to OMBADC, along with interest. Subsequently, in the 21st BoD meeting (June 2021), it was decided to close the OMBADC accounts and the department may complete the remaining 1,187 houses from other permissible funds like District Mineral Foundation fund.

As can be seen from **Table 4.2**, a sum of ₹13.94 crore had remained unutilised, as of March 2022. However, it had not been refunded to the OMBADC. However, interest amount of ₹20.40 crore accrued on unspent balance, only upto May 2020, was refunded (June 2020) to OMBADC. The balance interest of ₹93.83 lakh, accrued up to June 2023, was not refunded.

In reply, the CEO, OMBADC, stated (June 2023) that PR&DW Department had agreed to refund the balance amount after completion of the incomplete houses. The reply was not in consonance with the decision taken in the 21st BoD meeting, wherein it had been decided to complete the pending houses out of sources other than OMBADC funds.

4.3 Implementation of the housing scheme Pucca Ghar Yojana (Mining)

4.3.1 Targets *vis-a-vis* Achievements

The OMBADC filed an affidavit (January 2018), in connection with Writ Petition (Civil) No. 114/2014 – Common Cause vs. Union of India and Others, before the Hon'ble Supreme Court, for completion of 29,829 pucca houses, by May 2018. However, 979 houses had remained incomplete, as of October 2022, as shown in Table 4.3:

Table 4.3: Details of targets *vis-à-vis* achievements, of construction of Pucca Ghar

Sl. No.	District	Target for construction	Achievement	Balance
1	Angul	2,173	2,158	15
2	Dhenkanal	372	372	0
3	Jajpur	921	919	2
4	Jharsuguda	270	270	0
5	Keonjhar	14,237	13,607	630
6	Koraput	2,431	2,349	82
7	Mayurbhanj	826	825	1
8	Sundargarh	8,599	8,350	249
Total		29,829	28,850	979

(Source: Records of the department)

Out of the 979 incomplete houses shown above, 341 houses were in two out of the three blocks test-checked in regard to the housing sector, as detailed in Table 4.4

Table 4.4: Details of targets *vis-à-vis* achievements of construction of Pucca Ghar, in the test-checked blocks

Sl. No.	Block	District	Target for construction	Achievement	Balance
1	Joda	Keonjhar	3,487	3,420	67
2	Jhumpura		3,192	2,918	274
3	Lakhanpur	Jharsuguda	64	64	0
Total			6,743	6,402	341

In reply, the CEO, OMBADC, stated (June 2023) that PR&DW Department had agreed (June 2023) to complete the remaining 979 incomplete houses. The reply was not acceptable, as OMBADC had given directions (June 2021) for closure of the account and refund of the balance amount, but the PR&DW Department had not specified the timeline for completion of the remaining incomplete houses.

4.3.2 Non-allotment of pucca houses to identified landless households

In order to enable extension of the benefits to landless households, under PGY (Mining), in the saturation mode, the PR&DW Department had directed (June 2016 and November 2016) the Collectors/ PD, DRDAs of the eight districts, to prepare an inventory of eligible landless households, of the mining affected villages.

The PD, DRDA, Jharsuguda, had approved (August 2018) a list of 31 identified landless households, in the Chingriguda village of the Lakhanpur block of the district, for allotment of land under the Vasundhara Scheme⁶⁶ and subsequent issue of work order. The identified beneficiaries of the Chingriguda village were to be settled at the Kudaloi village of Kudaloi GP. However, due to non-resettlement of the displaced landless villagers of Khairkuni and Tingishimal, under the Kudaloi GP, the villagers of Kudaloi opposed the settlement of landless households of Chingriguda in their village. As such, the identified beneficiaries had not been provided with land and pucca houses (January 2023). Department did not resolve the issue hence, the benefits of the PGY (Mining), in saturation mode could not be extended to these 31 identified landless households.

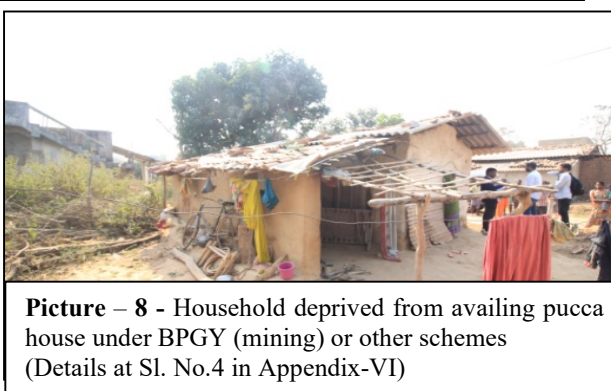
Further, scrutiny of records of BDO, Joda and Jhumpura blocks of Keonjhar District, revealed that there was no information available, regarding identification of landless households. This indicated that the Collector/ PD, DRDA, Keonjhar, had not taken steps to identify the landless households in the mining affected villages, in these blocks.

In reply, CEO, OMBADC, stated that PR&DW Department had agreed (June 2023) to take steps to cover those beneficiaries under other rural housing schemes, after resolving the land allotment issue.

4.3.3 Non-provision of houses to eligible households

As per the guidelines of PGY (Mining), 2016, the BDO was to prepare a list of households having *kutcha* houses, through field functionaries, in the mining affected villages, and issue work order, to the eligible households, under the scheme.

During Joint Physical Inspection (JPI) (19 December 2022, 31 January 2023 and 16 February 2023), in the six sampled villages, it was noticed that out of 297 eligible households, 286 households had been provided pucca



Picture – 8 - Household deprived from availing pucca house under BPGY (mining) or other schemes (Details at Sl. No.4 in Appendix-VI)

⁶⁶ 'Vasundhara' scheme is a land reform scheme being implemented by the Revenue and Disaster Management Department of the Government of Odisha, to provide land, up to the extent of four decimals, free of premium, to each homesteadless family

houses and 11 households had not been provided with pucca houses, under PGY (Mining), till the date of Audit (February 2023), even though they were residing in *kutcha* houses, as detailed in **Appendix - VI**. This indicated that the process of identification of eligible beneficiaries was defective.

In reply, CEO, OMBADC, stated (June 2023) that the PR&DW Department had agreed (June 2023) to provide houses to eligible households left out from the PGY (Mining) scheme, under other rural housing schemes.

4.3.4 Non-completion of pucca houses under the scheme

In order to complete 756 and 505 houses under Jhumpura (six GPs) and Joda (all GPs) blocks respectively by 15 January 2019, the PR&DW Department decided (11 December 2018) to construct the houses departmentally and with the help of industries (Mining Companies).

Records of BDO, Jhumpura, revealed that two private industries⁶⁷ had been entrusted (20 December 2018) with the construction of 300 incomplete houses each, by the end of January 2019. However, it was observed that only nine houses had been completed, as against the target of 600 set for these industries and 439 houses completed departmentally leaving 274 houses incomplete, as of October 2022. Similarly, in the Joda block, one industry⁶⁸ had been entrusted (20 December 2018) with the construction of 300 incomplete houses, by the end of January 2019. However, the industry had completed only 233 houses, as of October 2022.

Despite repeated instructions from the district Authorities to complete the remaining houses, the industries had not taken the initiative to complete the targeted houses. This contributed to the objective of providing houses under the scheme remaining unaccomplished, even after a lapse of four years from the date (December 2018) of instructions issued by the Government.

In reply, CEO, OMBADC, stated (June 2023) that steps would be taken to complete these houses.

4.3.5 Joint Physical Inspection

As per the PGY (Mining) guidelines, 2016, the second, third and fourth installments, were to be credited to the account of the beneficiaries, by the BDO within a week of receipt of the report of the eye estimation⁶⁹, spot verification and

⁶⁷ M/s Sirajudddin and M/s Indrani Pattnaik

⁶⁸ M/s ESSEL Mining

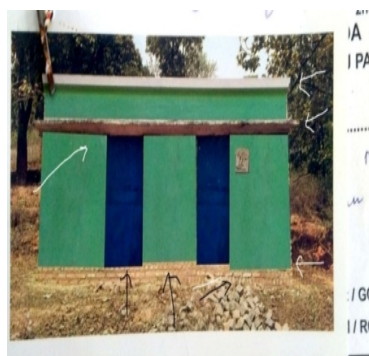
⁶⁹ The tagged officer has to estimate the constructed house through physical inspection by himself

geo-tagged photographic evidence of the stages of construction, by the officials tagged⁷⁰ with the beneficiaries.

Scrutiny of records of the BDO, Joda and Jhumpura and JPI (19 December 2022, 14 February 2023 and 16 February 2023) of houses constructed in the six sampled villages, revealed that, in 10 cases, although houses had been shown as complete, in the case records and payments of all installments had been released to the beneficiaries, the houses were incomplete, till the date of JPI, as detailed in **Appendix - VII**. Thus, due to improper monitoring, although houses were incomplete, payment was made on the basis of manipulated photographs. Connivance of departmental officials, in these false claims, cannot be ruled out and needs to be investigated.



Picture-9: Image of the house, as per JPI



Picture-10: Image of the same house, as per the case record of BDO, Joda

In reply, CEO, OMBADC, stated (June 2023) that in 10 cases, the roof cast had been completed, the beneficiaries were staying in these houses and steps were being taken to complete the remaining finishing work of these houses. The reply was not based on facts, as the final instalments of these houses had been released during February 2018 to April 2019, on the basis of fabricated photographs. Further, JPI of the houses had been conducted during December 2022 to February 2023 and the houses had been found to be incomplete. Thus, responsibility needs to be fixed on officers for manipulation of records to release the installments violating the norms.

4.3.6 Non-provision of electricity

As per PGY (Mining) Guidelines, 2016, the beneficiaries were eligible for electrification under the Deen Dayal Upadhyay Gram Jyoti Yojana.

During JPI of the sampled villages, it was observed that, out of 137 beneficiaries inspected, 23 households had no electricity connections in their houses. While accepting the Audit observation the CEO, OMBADC stated (June 2023) that they have submitted list of non-electrified households and villages to Energy Department and requested Energy Department for necessary action.

⁷⁰ The tagged officers mean those officers under whose jurisdiction the villages of beneficiary falls, tagged officers are officials from BDO office

4.4 Monitoring

As per the PGY (M) guidelines, 2016, BDOs were to inspect at least 10 *per cent* of houses under construction in the block; district level officers were to inspect at least one *per cent*; and Additional Project Directors (Rural House), DRDA, were to inspect at least 10 *per cent* of the houses of the concerned districts. In case of construction of houses entrusted to any industry, BDOs were to inspect all the houses.

However, no document was furnished to Audit, by the BDOs in regard to inspection and monitoring of the houses under construction, through field visits, as was required under guidelines.

In reply, the CEO, OMBADC, stated (June 2023) that the BDOs were visiting most of the incomplete houses and monitoring would be strengthened to complete the remaining incomplete houses. The reply was not acceptable, as no records could be made available to Audit, by the test-checked BDOs.

Recommendation:

Government may consider:

13. *Developing a robust system of monitoring and supervision, to avoid payments on the basis of manipulated photographs of the pucca houses and fixing responsibility on the officials of the Panchayati Raj and Drinking Water Department, responsible for misreporting.*

CHAPTER-5

**SKILL
DEVELOPMENT**

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

5.1 Introduction

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

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

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

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

5.2 Financial Management

5.2.1 Receipt and utilisation of Funds

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

Table 5.1: Details of funds received and utilised

(₹ in crore)

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

(Source: Information furnished by the OSFDC)

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

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

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

5.3 Implementation

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

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

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

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

5.3.2 Delay in completion of training

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

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

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

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

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

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

(Source: Compiled by Audit, from OSFDC records)

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

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

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

5.3.3 Non-placement of trained youth

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

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

In this context, Audit observed that:

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

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

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

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

5.4 Monitoring

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

Recommendations:

Government may:

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

CHAPTER-6

HEALTH SECTOR

This chapter contains audit findings relating to the health sector projects implemented by means of OMBADC funds, lack of awareness of the district authorities regarding the project proposals; non-inclusion of the requirements of the Primary Health Sectors in the Detailed Project Reports (DPRs); inclusion of such projects which had already been sanctioned from other sources; lack of planning for overcoming the shortage of doctors in four districts; non-implementation of the “Cluster Housing Concept”, to reduce the scarcity of doctors; irrational sanction of health infrastructure projects, between mining and non-mining blocks; delays in procurement of ambulances/ bike ambulances and their minimal usage; irregularities in the prevention and control of pulmonary diseases; delays in purchase and supply of equipment/ instruments; and lack of monitoring of projects.

6.1 Introduction

Under the 2nd phase (Compensation fund), with the concurrence of Oversight Authority, BoD, in its 14th meeting (April 2019) and 16th meeting (December 2019) approved one project, with the cost amounting to ₹1,299.43 crore, for upgradation of infrastructure in the health institutions of four⁷⁶ mining affected districts of Odisha, under the Health and Family Welfare Department (H&FW Department). The major activities to be taken up through this proposal were: (a) Upgradation of Health infrastructure (b) Improving access to Health care (c) Emergency care (d) Telemedicine care projects in existing health institutions; and (e) Special public health programmes⁷⁷. Later, considering certain constraints, like non-availability of land, funds already availed from other sources *etc.*, OMBADC considered the revised DPR (February 2022) and the BoD approved (August 2022) the same, with a project cost of ₹1,202.94 crore.

In addition, the BoD had approved three more projects, *i.e.*, construction of a 150-bedded Mother Child Hospital (MCH) in Jajpur, at a cost of ₹66.44 crore; procurement of medical equipment for health institutions in the Mayurbhanj District, at a cost of ₹3.21 crore; and strengthening of the health system in the Mayurbhanj District, through infrastructure development, at a cost of ₹36.76 crore. OMBADC had sanctioned ₹1,309.34 crore, as of March 2022, for implementation of four health projects. Audit test-checked OMBADC project

⁷⁶ Keonjhar, Jajpur, Mayurbhanj and Sundargarh

⁷⁷ Special Public Health Programmes included the activities under (i) Prevention and control of vector borne diseases, (ii) Prevention and control of pulmonary diseases, (iii) Nava-Jyoti - Screening and treatment of retinopathy of prematurity (ROP), (iv) Provision of ASHA help desk-cum-rest shed in all Community Health Centres, and (v) Strengthening of National Urban Health Mission Programme, for the mining affected districts

related records of 12 PIAs⁷⁸ of two districts, selected through a random sampling basis, i.e., Mayurbhanj and Sundargarh. The findings thereon are discussed in the subsequent paragraphs.

6.1.1 Lack of awareness of the district authorities regarding the project proposals

Scrutiny of records at OMBADC revealed that, during the review meeting (November 2019), the Chief Secretary-cum-Chairman, OMBADC, had observed that most of the project works had not been started, in the four mining affected districts and the concerned CDMOs were not well versed about the project proposals and their implementation schedules. This indicated that there was no proper coordination between the implementing agencies and the Department, hampering the smooth execution of the projects, as discussed in Paragraphs 6.1.3, 6.3.1, 6.3.2, 6.4.1, 6.4.2, 6.4.3, 6.4.4 and 6.4.5.

In reply, the CEO, OMBADC stated (June 2023) that, the activities to be undertaken by OMBADC funds are enlisted in the DPRs and communicated to district authorities for implementation of the projects. Projects are implemented as per due procedure. However, the fact remains that, projects had not been initiated even after lapse of seven months from the date of approval (April 2019), as observed in the review meeting during November 2019.

6.1.2 Non-inclusion of the requirements of Primary Health Sectors, in the DPR

During audit of the records of Rural Works Division, Karanjia, it was noticed that, while finalizing the projects (April 2019), the priorities of the concerned Medical Officers of Primary Health Centres (PHCs) and Community Health Centres (CHCs), had not been called for. On test-check of the requirements of the medical officers, communicated in June 2019, it was found that their priority requirements were different from the project components, as specified in the DPR, by the PIA, as detailed in *Appendix – VIII*, implying that the requirements of the health centers had not been considered, while preparing the DPRs.

While accepting the audit observation, the CEO, OMBADC, stated (June 2023) that, for upcoming projects, the CDM & PHOs would be advised to explore the ground level requirements from the Medical Officers of the medical facilities and to propose that the same be taken up under OMBADC funds.

6.1.3 Lack of planning and bottom-up approach led to dropping of projects

In relation to the execution of health sector projects, OMBADC had sanctioned ₹1,299.43 crore, as of December 2019, for implementation of projects, in the four districts. The DPR was revised (December 2021) after two years and BoD (24th meeting) approved the project cost as ₹ 1,202.93 crore (August 2022).

⁷⁸ Department of Health and Family Welfare, Director of Public Health, Odisha State Medical Corporation Limited and nine other project implementing agencies in two selected districts

On scrutiny, it was noticed that, components worth ₹ 158.59 crore had been included and components worth ₹ 255.09 crore had been dropped from the approved projects. Details of the dropped projects, along with reasons, are given in **Table 6.1**.

Table 6.1: Projects dropped

Sl. No.	Component	Allocation, as per DPR (₹ in crore)	Allocation, as per RDPR ⁷⁹ (₹ in crore)	Amount dropped (₹ in crore)	Reasons of Dropping
1	2	3	4	5	6
1	Modular ICU/Modular OT/CSSD	369.28	185.00	184.28	Due to land constraints, projects were dropped at District Head Quarter Hospital (DHH), Sub-Divisional Hospital (SDH) and Community Health Centre (CHC).
2	Liquid Medical Oxygen Plant	16.00	0.00	16.00	Since Liquid Medical Oxygen Plants were sanctioned from the funds provided by Government of India, the component was dropped from the OMBADC fund.
3	Drug Warehouse	5.98	2.72	3.26	As some projects had been constructed from NHM ⁸⁰ funds in the Sundargarh, Mayurbhanj and Jajpur districts.
4	Telemedicine care	4.75	2.75	2.00	Already implemented through the Ayushman Bharat Health Wellness Centre in the Keonjhar district.
5	Mobile Medical Unit	52.50	32.50	20.00	As Mobile Medical Units in all 26 blocks of Mayurbhanj had already been implemented through NHM funding.
6	Model District Initiative ⁸¹	14.00	0.00	14.00	In Sundargarh, the proposal was dropped due to want of thorough examination and CDM&PHO, Keonjhar, had been intimated regarding its non-requirement.
7	Digital Dispensary ⁸²	6.02	0.00	6.02	In Mayurbhanj, it was not taken up, as the outcome of the project, on a long-term basis, had not been studied. Sundargarh dropped it on the ground that the digital dispensaries, already implemented through the State fund, were not in operation.
8	Trauma care facility	28.59	19.06	9.53	CHC, Barbil, in Keonjhar, dropped the proposal, without any specific reason.
Total		497.12	242.03	255.09	

(Source: Compiled by Audit from departmental records)

⁷⁹ Revised Detailed Project Report

⁸⁰ National Health Mission

⁸¹ Model District Initiative consisted of providing transport support to the people to access health care services and make provision for mobile vision care centres, in inaccessible areas

⁸² Digital Dispensary was meant to provide health services through telemedicine network established through partnership mode and to provide minimum set of investigations like malaria test, Haemoglobin, blood sugar, blood pressure, urine analysis etc.

From the reasons given for dropping the components as mentioned in **Table 6.1**, it can be seen that the components had been dropped for reasons like non-availability of land, the proposed components having already been covered under GoI schemes and lack of proper research and examination.

The OA had suggested (July 2019) that the CDMOs of Sundargarh and Keonjhar districts may upgrade the facilities of the district hospitals, through OMBADC funds, so that, the tribals need not come to Cuttack or Bhubaneswar, for their treatment. However, due to non-assessment of the availability of suitable land for execution, the component 'Establishment of modular ICU, modular operation theatre and Central Sterile Supply Department' was dropped. Thus, the suggestion of the OA had not been taken up, to the best advantage of the affected population, indicating the lack of a bottom-up approach in planning of the project.

While accepting the audit observation, the CEO, OMBADC, stated (June 2023) that all the CDM & PHOs would be requested to furnish future project proposals as per the ground requirements of the health centres, ruling out duplication with other funding sources.

6.1.4 Inclusion of projects already sanctioned from other sources

The H&FW Department had submitted a revised proposal (of ₹36.76 crore, in March 2021) for additional civil works⁸³ in the Mayurbhanj District, as the earlier proposal (of ₹47.25 crores, in June 2020) had comprised of components which had already been considered under other schemes, such as the NHM Programme Implementation Plan, as noticed (December 2020) by OMBADC. Though the earlier proposal had been submitted with a certificate of non-duplication by the responsible authorities, components worth ₹10.49 crore had been considered, in duplication. These components had been proposed under other schemes, resulting in their being dropped at a subsequent stage.

Further, it was noticed that the revised proposal of ₹ 36.76 crore, included the repair and renovation of 40 sub-centers⁸⁴ (SCs). The work had been taken up (October 2021), with a cost of ₹ five lakh each, from the OMBADC fund. Out of these, 40SCs, the repair and renovation of 32 SCs (80 per cent) had been completed, as of December 2022.

Scrutiny of records revealed that date of completion of repair and renovation work, in respect of all the 32 SCs, was 16 January 2022. Out of these completed SCs, repair and renovation work had been executed on five SCs, which had been newly constructed and had been handed over between November 2020 and September 2021. This indicated that ₹ 5 lakh each had been spent on repair and

⁸³ (i) Infrastructure strengthening and upgradation and renovation of CHCs and PHCs, (ii) repair and renovation of Sub-centre buildings, (iii) provision for new bore well and laying pipe for water supply, (iv) installation of dedicated transformer at CHCs, PHCs and Sub-centres and (v) upgradation of electrical wirings of different CHCs and PHCs

⁸⁴ A Sub-centre or Primary Health Sub-centre is the most peripheral and first point of contact between primary health care system and the community. It provides interface with the community at the grass root level, providing all the primary health care services. It is the bottom level facility centre of Health Sector

renovation of SCs which were four to 14 months old. Similarly, in case of repair and renovation work of eight SCs, it was noticed that administrative approvals for construction of those SCs had been granted under NHM-PIP (2021-24) (details in *Appendix- IX*).

Hence, repair and renovation work of the newly constructed SCs, as well as SCs scheduled for new construction, in regard to 10 completed works out of 13, by incurring expenditure of 50 lakh, had resulted in wasteful expenditure.

Regarding the remaining three works, only work orders had been issued. This indicated lack of a robust planning and monitoring mechanism in the OMBADC, as well as doubtful execution of repair and renovation work.

In reply, the CEO, OMBADC, stated (June 2023) that: (i) five SC buildings (newly constructed) were situated in the CHC Headquarters (ii) the fund requirements for the approach road, boundary wall *etc.*, could not be met out of NHM or other sources, as per NHM Guidelines (iii) therefore, the amounts had been spent from OMBADC funds and (iv) repair and maintenance for the other five SCs had been taken up for functionalization, as per norms, much earlier to the plan for new construction.

However, the fact remained that, the different components of repair and maintenance, from the two agencies, had not been segregated and analyzed for gap funding from the OMBADC funds, resulting in duplication in the execution of works on the same project.

6.1.5 Lack of planning to overcome the shortage of doctors

As per the DPRs/ revised DPRs, only civil works, equipment *etc.*, pertaining to the health sector, had been provisioned out of OMBADC funds, in the four mineral bearing districts. However, issues regarding deployment of doctors and manpower had not been addressed. Taking cognizance of the scarcity of doctors, the Oversight Authority (OA) suggested (July 2019) examination of the feasibility of inclusion of AYUSH doctors, in the PHCs and CHCs. However, the Department had not taken any concrete step in this direction (as of November 2022).

During the course of audit in Mayurbhanj and Sundargarh, it was noticed that, as of October 2022, against the sanctioned strength of 579 and 463 doctors for these two districts, there were shortages of 254 (43.86 *per cent*) and 270 (58.31 *per cent*) doctors, respectively. Thus, focus on infrastructure development, in the health institutions under OMBADC, without adequate doctors and manpower, had not served to meet the objective of improving access to health care, in the mining affected areas.

In reply, the CEO, OMBADC, stated (June 2023) that 1,181 Medical Officers, recommended by the OPSC, would be posted to different districts, including mining affected districts, through online counselling. Further, the proposal for creation of 5,000 Leave Training Reserve Medical Officers (LTRMO) Posts had been approved for subsequent recruitment by OPSC. The reply was not

acceptable, as no special emphasis was given to address the shortage of doctors in mining affected remote areas.

6.1.6 Non-implementation of the “Cluster Housing Concept”, to reduce the scarcity of doctors

In its meeting dated July 2019, the OA stated that many doctors were not willing to stay in remote places, which was a major cause of scarcity of doctors in rural areas. The Department suggested the “Cluster Housing Concept”, in which doctors would stay at one major block headquarters and transportation would be provided to them, to reach their respective work places. The OA had agreed to the proposal. However, till the date of audit (November 2022), no such proposal had been prepared and submitted to the OMBADC, for approval, despite a lapse of more than three years.

The Department requested (May and June 2020) the CDMOs of the four mining affected districts⁸⁵, to submit their budget estimates for cluster houses, restricted to five in each district, based on the concept plan developed by the National Health Mission. The Sundargarh, Keonjhar and Mayurbhanj Districts submitted their budget estimates for approval, in July 2020, for 13 cluster houses⁸⁶, with a total estimated cost of ₹20.60 crore, while the Jajpur district did not submit any budget estimates for the cluster house. However, these projects had neither been taken up, nor had they been included in the revised DPR, subsequently. As such, the suggestion of the OA had not been implemented and the shortage of doctors had remained unaddressed.

In reply, the CEO, OMBADC stated (June 2023) that, the CDM & PHOs of Mayurbhanj/ Keonjhar had been requested to submit a revised proposal recasting the estimates taking into consideration the approved conceptual drawing, for examination by the technical Team of NHM and subsequent submission to OMBADC, for approval. However, the fact remains that the process of construction of cluster house was yet to be finalized, even after four years from the date (July 2019) of decision by the Oversight Authority.

6.1.7 Allocation of more health infrastructure projects in non-mining blocks

The PR&DW Department had communicated (February 2018) the list of mining affected villages, covered under OMBADC, to the other executing Departments. As per the list, three blocks⁸⁷, with 20 villages of Mayurbhanj; one block⁸⁸, with 46 villages of Jajpur; five blocks⁸⁹, with 220 villages of Keonjhar; and eight blocks⁹⁰, with 160 villages of the Sundargarh district, had been identified as mining affected areas. However, the number and expenditure of health projects,

⁸⁵ Keonjhar, Sundargarh, Mayurbhanj and Jajpur

⁸⁶ Five in Sundargarh, three in Keonjhar and five in Mayurbhanj

⁸⁷ Rairangpur, Joshipur and Kusumi

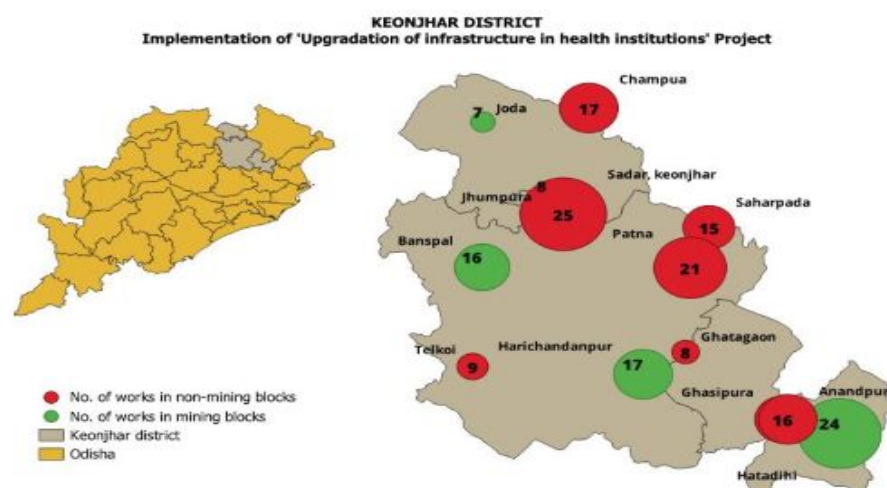
⁸⁸ Sukinda

⁸⁹ Joda, Jhumpura, Hatadihi, Harichandanpur and Banspal

⁹⁰ Gurundia, Hemgiri, Koiria, Kuarmunda, Kutra, Lahuni para, Nuagaon and Rajgangpur

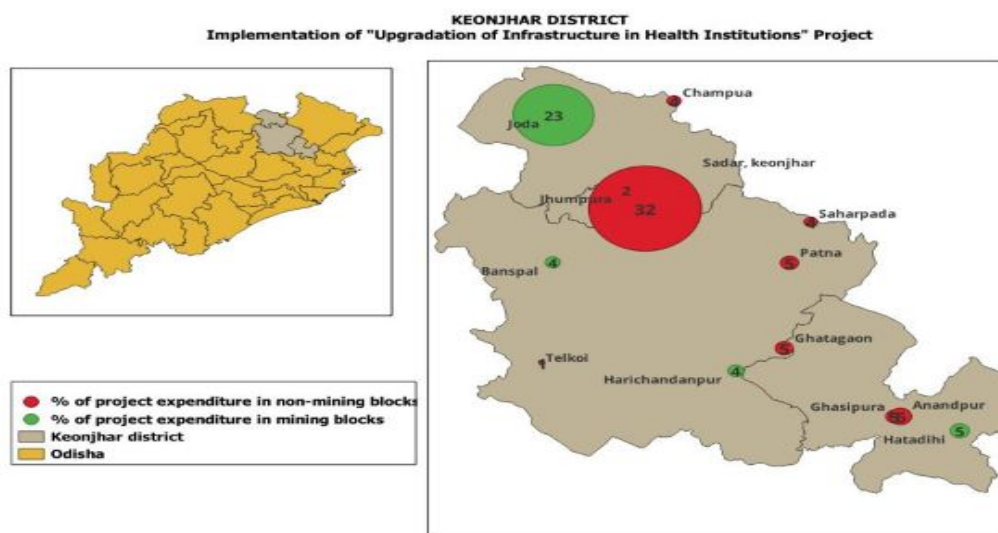
approved for the mining affected blocks of the Keonjhar district⁹¹, was as given in Picture Nos. 11A and 11B.

Picture – 11A: Infrastructure development in Keonjhar



(Source: Information collected from the H&FW Department)

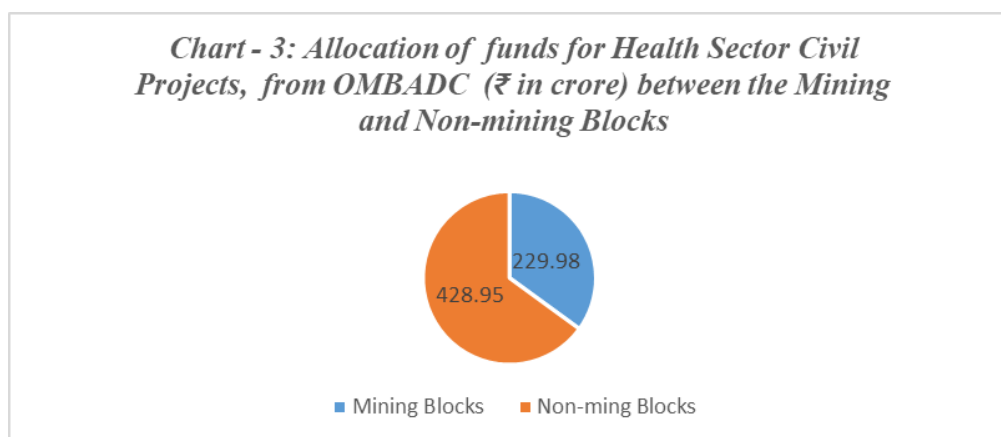
Picture – 11B: Expenditure incurred on infrastructure development in Keonjhar



(Source: Information collected from the H&FW Department)

⁹¹ Being the district with highest number of mining affected villages

The total approved budget, for civil works, was ₹658.94 crore, for four mining districts, through two schemes in the health sector, *i.e.*, “Upgradation of infrastructure in health institutions” and “Strengthening of health system in Mayurbhanj district”. However, it was noticed that, out of the total approved budget, only ₹229.98 crore had been allocated to the mining blocks of the above four districts, which constituted only 34.90 *per cent* of the total approved budget. The balance amount had been allocated for the non-mining blocks of the four mining affected districts. This implied that allocation of the compensation fund, for the health sector, in the mining blocks of four districts, was less, despite its direct impact on the health and well-being of the local inhabitants, due to illegal mining, as shown in **Chart 3**.



However, the funds approved for health infrastructure projects, for mining and non-mining blocks of the test-checked districts of Sundargarh and Mayurbhanj, were as detailed in **Table 6.2**.

Table 6.2: District-wise allocation of OMBADC Funds for health infrastructure projects, in the test-checked districts

District	Total approved amount (₹ in crore)	Approved for mining blocks (₹ in crore)	Approved for non-mining blocks (₹ in crore)
Mayurbhanj	156.27	29.69	126.58
Sundargarh	217.47	80.55	136.92
Total	373.74	110.24	263.50

(Source: Information furnished by the H&FW Department)

In reply, the CEO, OMBADC, stated (June 2023) that future project proposal allocation would be done in consideration of this suggestion and all stakeholders would be intimated in this regard.

6.2 Financial Management

6.2.1 Receipt and Expenditure of Funds

Details of funds released by OMBADC and their utilisation under different projects, as on 31 March 2022, was detailed in **Table – 6.3**.

Table 6.3: Funds released and utilized under different projects*(₹ in crore)*

Project	Approved cost of health projects	Release of funds by OMBADC	Utilisation of funds	Balance amount	Percentage of utilisation to released amount	Percentage of utilisation to total Project cost
1	2	3	4	5	6	7
Upgradation of infrastructure in health institutions	1,202.94	195.00	129.72	65.28	66.52	10.78
Construction of 150 bedded MCH at Jajpur	66.44	19.60	Nil	19.60	0.00	0.00
Procurement of medical equipment for health institution in Mayurbhanj	3.21	0.96	Nil	0.96	0.00	0.00
Strengthening of health system in Mayurbhanj district	36.76	11.02	2.65	8.37	24.05	7.21
Total	1,309.34	226.59	132.37	94.22	58.42	10.11

(Source: H&FW Department, GoO)

OMBADC had released funds in three phases since July 2018, in the ratio of 30:40:30, with the second instalments being processed for release after getting the utilization certificate (UC) for 60 *per cent* of the 1st installment. From **Table 6.3**, it can be seen that the Department had already received ₹226.59 crore from OMBADC, for implementation of the above four health projects, but its achievement was restricted to ₹132.37 crore only, against two projects. Audit noticed that implementation of other two projects had not yet started, despite a lapse of more than 3 years of approval (December 2019 and October 2020). Since the progress of the work was very slow, OMBADC had not sanctioned further funds to the Department, as per the laid down procedure of the Corporation.

Audit also analyzed the Implementing Agency-wise availability of funds, as well as the utilization thereof, up to 31 March 2022, as shown in **Table 6.4**.

Table 6.4: Utilization of funds*(₹ in crore)*

Sl. No.	Agency	Funds available	Total UCs furnished	Balance	Percentage of UCs to total fund
1	Four Chief District Medical and Public Health Officers	29.22	10.27	18.95	35.15
2	Rural Works Department	83.01	67.84	15.17	81.73
3	Roads & Building Divisions under Works Department	100.25	47.43	52.82	47.31
4	Director of Public Health	11.21	6.83	4.38	60.93
5	Odisha State Medical Corporation Ltd.	0.69	0.00	0.69	0.00
6	Odisha State Health & Family Welfare Department	2.21	0.00	2.21	0.00
Total		226.59	132.37	94.22	58.42

(Source: Compiled from departmental records)

As may be seen from **Table 6.4**, out of six agencies, only two agencies (RWD and DPH) had utilized the requisite 60 *per cent* of the funds available with them, during the last three financial years. Two agencies *i.e.*, OSMCL and OSH&FW, had been unable to use the allocated funds of ₹2.90 crore, which would, otherwise, have benefited the targeted population.

In reply, the CEO, OMBADC, stated (June 2023) that slow progress of the projects had been considered and steps would be taken to expedite the funds utilization.

6.2.2 Non-maintenance of a separate bank account and non-refund of interest amount of ₹3.04 crore

As per the decision of the BoD of OMBADC, taken in its 4th meeting (February 2016), the line departments were to deposit the funds received from the OMBADC, in a separate Flexi Account, in a Nationalized bank. The entire interest, earned by the line departments, was to be returned to the OMBADC.

During audit of the H&FW Department, it was noticed that, as per the Utilisation Certificate submitted to OMBADC, in respect of the funds released for implementation of the health projects, the total accrued interest, upto 31 March 2022, was ₹3.04 crore, over the OMBADC funds. This interest amount was lying with the six project implementing agencies (PIAs) and had not been refunded to OMBADC. In addition, it was observed that another PIA, *i.e.*, OSMCL, had not maintained a separate bank account, although this was required under the conditions of fund allotment and had clubbed the OMBADC funds with funds received from other sources. Hence, the unreturned interest earned over the OMBADC share, could not be ascertained in audit.

In reply, the CEO, OMBADC, stated (June 2023) that: (i) subsequent to the audit observation, the interest amount of ₹3.04 crore, accrued till 31 March 22, by the six PIAs had been refunded (December 2022) to OMBADC and (ii) OSMCL had also calculated the interest earned on the OMBADC funds and refunded ₹ 3.13 crore (May 2023). OMBADC did not respond to the issue of non-maintenance of separate bank account by OSMCL.

6.2.3 Excess provision of recurring expenditure in the revised DPR of the Mayurbhanj district

Provision for *Swasthya Sahaya*⁹², in eight CHCs, in the Mayurbhanj district, with a total capital cost of ₹12 lakh and ₹29.90 crore of recurring expenses for six years, was included in the Revised DPR (February 2022) which was approved by BoD in August 2022. On the analysis of the provisions for recurring expenses, it was noticed that, the CDMO, Mayurbhanj, in a previous occasion, had intimated (August 2020) to H&FW Department that the total recurring expenditure for eight CHCs, would be ₹2.08 crore, with three *swasthya sahayaks* in each CHC⁹³, for a

⁹² *Swasthya Sahaya* refers to establishment of help desk in Community Health Centres

⁹³ Total recurring expenditure per year per CHC = ₹4,33,434.60 and total recurring expenditure for six years for eight CHC would be ₹4,33,434.60 X 6 years X 8 CHCs = ₹2,08,04,860.80

period of six years. Reasons for the excess provision of ₹27.82 crore (₹ 29.90 crore *minus* ₹ 2.08 crore), towards recurring expenditure and non-commencement of this component, were not found available in records. This was indicative of poor financial management, as the revised DPR, with provisions beyond the requirement, was approved by BoD, and, if not noticed, would have resulted in excess allotment of funds, leading to excess/ infructuous expenditure.

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that CDM&PHO, Mayurbhanj, had reported the expenditure as ₹62.3 lakh/ unit instead of ₹6.23 Lakh/ unit cost, due to typographical error, owing to which the total recurring amount came to ₹29.90 crore. The reply of OMBADC corroborates the audit observation that the financial aspects of the revised DPR had not been properly scrutinized by OMBADC.

6.3 Implementation of Health Projects

6.3.1 Execution of projects by Chief District Medical and Public Health Officers

As per the DPR/ RDPR, ten components⁹⁴ of health projects, had been allotted to the CDM&PHOs of the four districts, for implementation.

It was noticed in audit that, out of these 10 components, only one component, *i.e.*, ‘Procurement and operation of Ambulance’, had been implemented, in all the four districts, with 100 *per cent* achievement. ‘Bike ambulance services’, a component planned for three districts (Mayurbhanj, Sundargarh and Keonjhar), had been implemented with a cumulative achievement of 42.86 *per cent*. The achievements, in regard to *swasthya sahaya* services and Mobile vision centres, were 61.90 and 50 *per cent*, respectively. The other six components had not even been started, as of the date of audit (November 2022).

As against the total approved cost of ₹108.90 crore for the above components in four mining affected districts, the Department had released OMBADC funds, amounting to ₹29.21 crore, to the concerned CDM&PHOs, for executing these components, during the last three financial years. However, the district authorities had been able to utilise only ₹10.27 crore, during this period, which was only 35.16 *per cent* of the total funds released. Thus, the pace of implementation of the components, in the mining affected districts, was slow, and the people therein had been deprived of the improved health service, as targeted in the project report.

Accepting the Audit observation, the CEO, OMBADC, stated (June 2023) that, close monitoring and review meetings would be undertaken to expedite the

⁹⁴ Ambulance, Bike Ambulance, Telemedicine, Swasthya Sahayak, Accredited Social Health Activist (ASHA) helpdesk, mobile medical unit, Navajyoti programme for screening and treatment of Retinopathy of Prematurity (RoP), Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCHA) Service, National Urban Health Mission (NUHM) Programme and Mobile Vision Centre

project work assigned to the PIA, CMO and PHOs of all the four mining affected districts.

6.3.2 Procurement and operation of Ambulances and Bike Ambulances in Mayurbhanj district

Out of the funds allocated for all four districts, as noted in previous paragraph, the Principal Implementing Agency for the H&FW Department, *i.e.*, Mission Director, NHM, Bhubaneswar, had released (21 May 2019) ₹10.16 crore, under the OMBADC projects, to CDM&PHO, Mayurbhanj, for implementation of programmes like procurement and operation of Ambulances, Bike ambulances, Mobile vision center and Swasthya Sahaya service etc. As per the DPR, there was provision for purchase of four ambulances and four bike ambulances, in the district, with seven years of maintenance. However, for procurement and operation of ambulances, ₹6.87 crore, and for bike ambulances, ₹81 lakh, was allotted to the Mayurbhanj district. Considering the non-initiation of procurement procedure by the district authority, the Addl. Chief Secretary, H&FW Department, instructed (July 2020) the CDM&PHO to complete the procurement process of Ambulances, through GeM portal, by the end of the month. In compliance to the above directions, CDM&PHO, Mayurbhanj, procured four vehicles, on 5 October 2020, on payment of ₹79.24 lakh. Further, the fully equipped ambulances were handed over to the service provider agencies, for operation, in November 2021, *i.e.*, after 17 months from the date of release of funds.

Out of these four Ambulances, Audit test-checked two Ambulances, deployed at DHH, Baripada and SDH, Udala. Out of these two, the log books of the ambulance placed with the DHH, Baripada, indicated that it had been in operation for 47 days, during the nine months of its operations, as on November 2022. This constituted an average of 5 days in one month. During the remaining period, it had been kept idle in the campus.

Similarly, after a delay of eight months from the date of receipt of the funds, three Bike Ambulances had been procured by the CDM&PHO, Mayurbhanj, during September 2020. Due to insignificant usage of these Ambulances, two NGOs were engaged to operate two of the bike ambulances and advance of ₹2.86 lakh was paid to them, towards operation and management for six months, with the condition of ensuring 30 patients per month, in the Bike Ambulance. Compliance of the same was, however, not found available on records.

The delays in procurement of ambulances/ bike ambulances, as well as their minimal usage, was indicative of the fact that they had been procured to utilize the available funds, without proper planning.

In reply, the CEO, OMBADC, stated (June 2023) that, three Basic Life Support (BLS) Ambulances and one Advance Life Support (ALS) ambulance, had been procured through the GeM portal, in the month of August 2020 and stationed at the SDH and DHH of the district. Further, these ambulances were to be utilized as per the demand of the patients.

However, the fact remained that, need analysis had not been carried out before placement of ambulances and bike ambulances to the concerned medical centers. Further, monthly utilization of bike ambulances, as per the conditions of their engagement, had not been called for from the NGOs appointed for their operation.

6.4 Special Public Health Programmes

Out of the five categories of health sector projects, as mentioned in **Para 6.1** *ibid*, the Director of Public Health, Odisha, was the implementing agency of the project category “Special Public Health Programmes”. This category had two components, namely, “Prevention and Control of Vector Borne Diseases” and “Prevention and Control of Pulmonary Diseases”.

6.4.1 Irregularities in the implementation of prevention and control of pulmonary diseases

As per the DPR/ RDPR, the total approved project cost, for the component “Prevention and Control of Pulmonary Diseases”, in the four mining affected districts, was ₹25.41 crore. There were five major activities⁹⁵ to be taken up under this component.

During scrutiny of records (November 2022) of the department, regarding the implementation of the component “Prevention and Control of Pulmonary Diseases”, it was noticed that, as against the total budget of ₹25.41 crore, ₹3.81 crore only had been released (November 2019) to the CDM&PHOs of the four districts. Out of the released amount, the expenditure was only ₹2.11 crore. Though the project period was seven years (2019-26), the total expenditure, during the last three financial years, had been only 8.30 *per cent* of the total budgeted costs. The activity of expanding the diagnostics facility was the major component, with an allocation of ₹18.25 crore, comprising of 71.82 *per cent* of the total budget. Expanding diagnostic facility included procurement of medical equipment and engagement of manpower (Radiographer and Laboratory Technician). The medical equipment, to be procured under this activity, for the four mining affected districts, included 15 Digital X-ray machines, 45 TrueNAAT machines⁹⁶ and 45 Binocular Microscopes.

However, out of the total 105 machines, only five TrueNAAT machines had been purchased in the Mayurbhanj District. Initially, the responsibility of procurement of equipment had been entrusted to the CDM&PHOs concerned. Since district authorities could not procure the equipment in time, it had been decided (November 2020) to procure the equipment through the Odisha State Medical Corporation Ltd. (OSMCL). The equipment was, however, yet to be supplied by the OSMCL (November 2022), even after a lapse of 24 months. During August

⁹⁵ A) Mapping High Risk Population (among the slum, mining, migrants and tribal population) and Active Case Finding B) Air Borne Infection Control in Health Care Settings C) Intensified and focused Advocacy, Communication and Social Mobilization (ACSM) activities to raise awareness regarding TB on campaign mode D) Expanding the diagnostic facilities and E) Silicosis screening at the mining sites

⁹⁶ Nucleic Acid Amplification Tests (NAAT) were done for all presumptive TB cases, as a step towards early case detection, for the TB elimination Strategy, using TrueNAAT machines

2020 to October 2022, 13,623 presumptive TB tests were done and 1,681 TB cases were detected through these five machines, constituting 12 *per cent* of the total samples tested. This indicates the utility and importance of these machines.

One of the major components, which was essential for the health of people living in the mining areas, *i.e.* Silicosis screening, at the mining sites, was yet to be started, in any of the four mining affected districts, for want of training and X-ray machines.

The slow procurement of medical equipment had a bearing on the healthcare of the targeted population of the mining affected areas, who are prone to pulmonary diseases.

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that: (i) OSMCL had procured 40 TrueNAAT machines, costing ₹3.58 crore, from its own available funds and the said machines had been distributed among four mining affected districts, for optimum utilization of rapid molecular diagnosis of TB (ii) the process for recruitment of Lab Technicians and Radiographers, at the district level, would soon be initiated by DPH and (iii) the Silicosis screening activities would be undertaken on procurement and installation of X-Ray machines in the 15 approved sites, which was under process by OSMCL.

6.4.2 Irregularities in the implementation of the special public health programme “Prevention and Control of Vector Borne Diseases”

Government of India’s National Vector Borne Disease Control (NVBDC) Programme⁹⁷ was being implemented by the H&FW department, in all districts of Odisha. In order to fortify this programme in mining affected districts, OMBADC approved (April 2019) ₹182.49 crore for “Prevention and Control of Vector Borne Diseases” as a Special Public Health Programme. The programme implementation period was seven years (2019-26). The financial provisions were revised to ₹ 182.39 crore (April 2021).

On analysis of the PIA-wise receipt and utilization of funds, as of November 2022, under the above programme, it was noticed that utilization was only three *per cent* of the total approved revised cost. This implied very slow implementation of the project, during the last three financial years. The components targeted and the achievements thereagainst, are enumerated in **Table 6.5**.

Table 6.5: Targets and achievements under the Prevention and Control of Vector Borne Diseases Programme

Sl. No.	Targeted components	Objectives	Achievement (as of September 2022)
1	2	3	4
01	Yearly engagement of 1,035 Dengue Volunteers	To conduct household surveys, both in domestic and peri-	Monthly Progress Reports (MPRs) (November 2022)

⁹⁷ National Vector Borne Diseases Control Programme (NVBDC) is a scheme of Government of India (GoI) for prevention and control of vector borne diseases namely Malaria, Japanese Encephalitis, Dengue, Chikungunya, Kala-azar and Lymphatic Filariasis

Sl. No.	Targeted components	Objectives	Achievement (as of September 2022)
	@ 15 volunteers for each block, in 69 blocks of the four districts.	domestic area; elimination and management of breeding sources; involving the community for mass cleanliness.	indicated 636 volunteers were engaged against requirement of 1035 volunteers. (Achievement: 61%)
02	1,035 Alternate Fever Treatment Depots (FTDs) were to be engaged every year, in the four mining affected districts, at the rate of 15 FTD per block.	For malaria diagnosis and treatment, as an alternative to Accredited Social Health Activist (ASHA).	MPRs indicated only 613 FTDs had been engaged in these four districts. (Achievement: 59%)
03	Yearly engagement of 69 Junior Entomologists, in four districts.	To strengthen supportive supervision and micro monitoring for prevention and control of Malaria and other VBDs at the CHC, PHC, SC and village levels.	MPRs indicated that 35 Junior Entomologist were engaged in three districts. There was, however, 'nil' progress in the Mayurbhanj district, against the total target of 26. (Achievement: 51%)
04	Procurement of instrument/ equipment, like hand operated fogging machine ⁹⁸ , knapsack sprayers ⁹⁹ , stirrup pumps ¹⁰⁰ and digital microscope and Long-lasting Insecticidal Nets ¹⁰¹ (LLIN) etc., for ₹22.11 crore through OSMCL.	For prevention and control of VBDs.	OSMCL returned the funds to DPH, in March 2021, without procuring the required equipment and LLINs. DPH returned the unutilized funds to the department. (Achievement: 0%)

(Source: Compiled from departmental records)

As evident from **Table 6.5**, the targeted components had not been prioritized and the targeted population had been deprived of improved health facilities. It was noted that, during 2021, Odisha had 13 deaths due to Malaria. This was the third highest in the country (Sundargarh district alone had contributed to four of these deaths).

In reply, the CEO, OMBADC, stated (June 2023) that ₹7.19 crore had already been utilized, as of March 2022, and the recruitment process for the remaining Dengue volunteers, FTD and junior entomologist, was under progress, as per the DPR. The reply is not tenable, as shortage of the required manpower would have a bearing on the prevention and control of vector borne diseases in the mining

⁹⁸ A versatile piece of equipment that uses a fine spray to apply a chemical solution

⁹⁹ Knapsack is a type of sprayer that disperses liquid through a hand-held nozzle that is attached to a pressurised reservoir carried on the operators back

¹⁰⁰ Stirrup pump is a portable hand pump held in position by a foot bracket and used for throwing a jet or spray of liquid

¹⁰¹ Long-lasting insecticidal nets (LLINs) are a highly effective means for preventing malaria infection and reducing associated morbidity and mortality

affected areas. However, the utilization of funds, as stated, was only 3.94 per cent, even after completion of four years from the date of approval of the DPR.

6.4.3 Execution of civil works under the health sector

The DPRs for 'Upgradation of infrastructure in health institutions' had been prepared to benefit the targeted areas, with the objective of providing upgraded health infrastructure, at the Block and Sub-Block levels. Similarly, the project for strengthening of the Health System, had been taken up in Mayurbhanj, to strengthen the delivery of health services, to the people of the district.

During April 2019 and October 2020, 1,147 civil projects, costing ₹658.94 crore, had been approved, for being undertaken for different activities under OMBADC funding, in the four mineral bearing districts of Odisha.

During scrutiny of the Monthly Progress Reports (MPRs) and DPRs, in the department, it was noticed that many civil works had either not been taken up, or were still continuing. The status of civil works, in the two test-checked districts (as of November 2022 and January 2023), was as detailed in **Table 6.6**.

Table 6.6: Details of execution of civil works in test checked districts (as of November 2022 and January 2023)

Project	District	Status, as on the date of audit	Total number of works sanctioned	Works completed	Works in progress	Yet to be started
1	2	3	4	5	6	7
Upgradation of Infrastructure in Health Institutions	Mayurbhanj	November 2022	181	106	53	22
	Sundargarh	January 2023	164	107	37	20
Strengthening of the Health System	Mayurbhanj	November 2022	323	147	41	135
	Total		668	360	131	177

(Source: Compiled from departmental records)

As enumerated in **Table 6.6**, the share of completed projects was only 54 per cent of the total number of sanctioned projects. Thus, the objective behind the allocation of funds, for these projects, had not been achieved, resulting in the persons living in the mining affected areas being deprived of timely delivery of improved health care facilities.

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that (i) the H&FW Department had requested different PIAs to handover the completed projects to the end-users (CDM & PHOs), to furnish the timeline for completion of the projects which were under progress and to submit the timelines for start of the projects which had not yet been started and (ii) regular monitoring of progress of civil works, in adherence to their implementation schedule, would be taken up.

6.4.4 Delays in execution of health projects, consequent to devolution of powers

The State Cabinet, in its 11th meeting (March 2020), approved the proposal of devolution of powers to the Panchayat Raj Institutions (PRIs), for empowering Local Self Government and transferred the assets of the H&FW Department to the PRIs. As per the devolution proposal, the PRIs were to be responsible for operation, maintenance and upkeep of assets and execution and development of infrastructure. 434 works (378 from the old DPR and the balance from the RDPR), with a total cost of ₹179.43 crore, were proposed for the transfer.

Audit observed that the CDM&PHOs had been provided with funds of ₹54.00 crore, for onward transmission to the concerned BDOs, for execution in August 2022, *i.e.*, after two and half years from the date of devolution. Moreover, during audit of CDM&PHO, Mayurbhanj district (November 2022), it was noticed that the CDM&PHO was yet to transfer the funds to the concerned BDOs, for execution of the proposed projects. Delay in the transfer of had funds resulted in delays in execution and the intended beneficiaries had remained deprived of the benefits from the construction of better health infrastructure, in the rural areas of the district.

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that: (i) steps were being taken to expedite the works of PRI projects (ii) the approved civil works had already been started at the block level in Mayurbhanj (iii) works were under progress in the Sundargarh/ Keonjhar and Jajpur districts and (iv) close monitoring was being done for projects being executed by the PRIs.

No reasons were, however, furnished in regard to the delays.

6.4.5 Delay in purchase and supply of equipment/ instruments in Mayurbhanj district

Considering the inadequacy of medical equipment in the PHCs, CHCs and SDHs of the Mayurbhanj district, the OA had instructed (October 2019) the Department to submit a proposal for using OMBADC funds for their procurement. Accordingly, the Department had submitted (November 2019) a proposal of ₹3.20 crore for Mayurbhanj district and OMBADC had released funds, amounting to ₹96 lakh, to the Department, in September 2021.

Scrutiny of records revealed that, against the released amount, the CDM&PHO, Mayurbhanj, had been able to utilise only ₹52 lakh (54 *per cent*), as of October 2022. Further, 17 out of 66 items of equipment/ instruments, costing ₹19.32 lakh, had been kept idle in the DHH and had not been distributed to the PHCs, CHCs and SDHs, defeating the purpose behind their procurement.

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that: (i) the total funds released to CDM&PHO, Mayurbhanj, were ₹96 lakh, out of which the expenditure incurred, as of March 2023, was ₹74.06 lakh, indicating 77 *per cent* of expenditure against the released funds and (ii) all the 17 items, purchased at district level, had been distributed to the concerned PHCs/ CHCs/ SDHs, as intimated by the COM&PHO, Mayurbhanj.

6.5 Joint Physical Inspections

During Audit of the sampled units, Joint Physical Inspections were conducted by Audit, during 04 December to 27 December 2022, in the Mayurbhanj district and during 20 January to 09 February 2023, in the Sundargarh district, in association with departmental personnel, to assess the actual benefits that had been transmitted to the intended beneficiaries, after execution of the projects. The major deficiencies noticed in this regard, are detailed below:

A. Construction completed but facility not in use or not up to the requirements

The Sub-Centre (SC) at Bhandan (Mayurbhanj) had not been in use after its completion (November 2022). The campus of the SC was full of grass and weeds. The room was untidy and carcasses of rodents were lying on the floor.

Date of JPI: 04 December 2022.

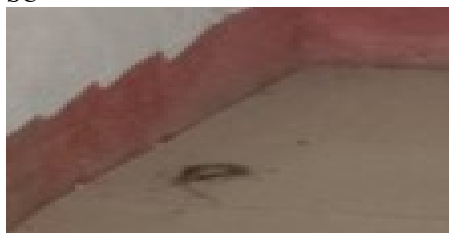
In Khuntapur (Mayurbhanj), the SC was found locked during JPI. The Asst. Engineer present, informed that the post of the Auxiliary Nurse and Midwife (ANM) of the SC was lying vacant.

Only the verandah (corridor) of SC at Lephripara of Sundargarh was being used. The remaining portion of the SC was not being used.

Date of JPI: 9 December 2022



Picture-12: Untidy campus of the Bhandan SC



Picture-13: Carcass of rat lying on the floor at the Bhandan SC

The rest sheds, at Gadia PHC, Chitrida PHC, Dantimuhan PHC and Jugal PHC, as also the meeting hall at Bhanjakila PHC, in Mayurbhanj district, had not been put to use, though construction had been completed in all respects. It was noticed that the OPDs, laboratories and store rooms, at the above PHCs, were being operated with a space crunch, due to non-handing over of the newly constructed civil infrastructure, by the PIAs.

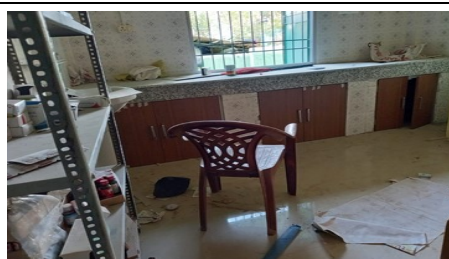
Dates of JPI: 9 and 27 December 2022.



Picture-14: OPD of the Dantimuhan PHC, operating with a space crunch

The SC building at Jamsara, under the Bisra Block of Sundargarh district, had been handed over (2 August 2022), after completion of civil and electrical works. However, the building had not been put to use, from the date of its handing over, due to non-availability of water and electricity. All the rooms of the SC were found to be in an unhygienic condition.

Date of JPI: 9 February 2023



Picture-15: Unhygienic condition of the clinic room at SC, Jamsara

At Lahunipada CHC, though the civil construction of the <i>ASHA Gruha</i> had been completed, the Public Health works, <i>i.e.</i>, drinking water facilities and electric fittings, had not been installed, even after the scheduled date of completion (July 2021). While the incomplete structure was being used for storing construction material, the <i>ASHA Gruha</i> was being operated in an old, dilapidated single room of the CHC. <u>Date of JPI</u>: 8 February 2023	 Picture-16: Asha Gruha at CHC, Lahunipada, being used as storage
B. Infrastructure used for other purposes, defeating the objective of the expenditure	
The newly constructed rest shed building, at CHC, Khunta, was being used for the office of the Block Project Management Unit (BPMU), under NHM. The patients were seen waiting for their turn on the corridor floor, at the OPD, for consulting the doctor. <u>Date of JPI</u>: 15 December 2022.	 Picture-17: Patients waiting on the corridor, at the OPD, for consulting a doctor, at CHC, Khunta.
The newly constructed SC at Lephripa, Sundargarh, was being used for storage purposes. The actual date of completion of the work was 15 March 2021 and the work was stated to have been handed over on 31 May 2022. <u>Date of JPI</u>: 20 January 2023.	 Picture-18: Sub-Centre at Lephripa, Sundargarh, being used for storage purposes
C. Procurements kept idle	
After completion of the civil work of the medical waste management unit at DHH, Baripada, the required machinery had been procured and stored in the room without installation, resulting in non-operation of the waste management unit. <u>Date of JPI</u>: 15 December 2022.	 Picture-19: Machinery stored in the room, without installation, at DHH, Baripada

D. Lack of basic infrastructure facilities for the intended users

Though a laboratory was being operated, on the ground floor, inside the campus of SDH, Udala, an existing structure, on the top floor, had been renovated under OMBADC funds, for serving as the laboratory. It was noticed, in JPI that the renovated structure was being used for storing unused belongings, instead of being used for the intended purpose. Further, the renovated structure was found to be unsuitable for serving as a laboratory, as the path upstairs was narrow. Since the laboratory was situated in the upstairs of an existing structure with a narrow staircase, without the provision of lift facility, the facility was unsuitable for the elderly and other critical patients, who were required to reach the laboratory for the necessary tests.

Date of JPI: 15 December 2022.



Picture-20: Renovated Laboratory, being used for storage purpose, at SDH, Udala

After completion of construction of a toilet complex, at the premises of SDH, Karanjia (April 2022), electricity and water connections had not been provided. Moreover, there was no approach road to the toilet complex. Hence, the amenities created could not be used by the patients and staff.

Date of JPI : 21 December 2022.



Picture-21: Toilet without approach road at SDH, Karanjia

6.6 Monitoring

As per the Notification issued (July 2021) by the GoO, in order to monitor and expedite the implementation of various health sector projects funded under OMBADC, in four Districts, namely Keonjhar/ Mayurbhanj/ Jajpur and Sundargarh, GoO had approved setting up of Monitoring Unit, along with Human Resources (HR) engagement structure, both for State and District level.

Scrutiny of records of H&FW Department revealed that no State Level Monitoring Unit (SLMU) at the State level, and District Level Monitoring Units (DLMUs), had been established, for monitoring of the health projects, taken up under OMBADC funds. Timelines for implementation of different components of projects under the health sector, had also not been prepared, along with the DPRs, due to which the progress of the projects could not be monitored and the projects had been implemented in a piecemeal manner. Monthly Progress Reports were not being submitted regularly, by the line departments, to the OMBADC, for review of the projects in the mining affected districts.

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that: (i) DLMUs were already functioning at the Mayurbhanj and Sundargarh districts (ii) action would be taken in regard to the Jajpur and Keonjhar districts, for establishment of DLMUs (iii) at the State level, SLMU work was under progress.

However, no records, in regard to the DLMUs at Mayurbhanj and Sundargarh, were made available during the course of audit.

Recommendations:

Government may consider:

- 16. Including requirements of the primary health sector, in the DPRs, and planning projects using a bottom-up approach, to avoid dropping of projects in later stages.*
- 17. Posting of the required numbers of doctors, in the hospitals of the mining affected districts.*
- 18. Starting silicosis screening, in all mining affected districts.*

CHAPTER-7

**NUTRITION
SECTOR**

This chapter contains audit findings relating to the nutrition sector. These includes non-refund of interest amount accrued on OMBADC Funds; blockage of funds by the Department, without setting up a Project Monitoring Unit at the State level; delay/ non-completion of model Anganwadi Centers (AWCs); non-provision of toilets, kitchens, modular kitchens, electricity and approach roads for the AWCs; non-operation of crèches for children; failure of District Social Welfare Officers (DSWOs) to ensure the availability of the basic facilities in the Rajiv Gandhi Seva Kendras, before procurement of the equipment for Sector Resource Centers; and improper monitoring.

7.1 Introduction

Towards strengthening of Anganwadi Centers (AWCs), services provided under the Integrated Child Development Services (ICDS) Scheme and nutrition interventions, the Board of Directors (BoD) of OMBADC, in its 14th meeting (April 2019), approved an amount of ₹1,450.80 crore, to be incurred during a period of three years (July 2019 to July 2022), for implementation of the project “Strengthening of ICDS”, in four¹⁰² districts. Subsequently, the project cost was enhanced by ₹38.41 crore, under the nutrition component including Information, Education and Communication (IEC), in the 16th BoD meeting (December 2019). The Programme Implementing Agency (PIA), at the district level, was the District Social Welfare Officer (DSWO), while, at the block level, it was Child Development Project Officer (CDPO). Audit test-checked the records of two blocks under two districts¹⁰³.

7.2 Planning

7.2.1 Improper planning

Guidelines for the shelf of project proposals for project preparation, implementation and evaluation, 2018, stipulated that the line departments of the State Government, which were working in sectoral development projects, were to submit the shelf of project proposals to the OMBADC, prepared using the bottom-up approach, for its scrutiny. Further, while preparing Detailed Project Reports (DPRs), a micro plan was to be first prepared at the village level. It was, thereafter, to be converged into the district plan, which, in turn, had to be synchronised with the State level plan.

¹⁰² Jajpur, Keonjhar, Mayurbhan and Sundargarh

¹⁰³ Banspal block under Keonjhar and Hemagiri block under Sundargarh

Scrutiny of records of the DSWO, Keonjhar, revealed that, as per the DPR (April 2019), 1,969 model AWCs were to be constructed at a cost of ₹15.00 lakh per unit, with the scope of work including construction of *mamata*¹⁰⁴ room, construction of a boundary wall, painting of AWC's exterior walls, a playground, drinking water facilities, an overhead water tank for toilets, outdoor playing equipment for children and painting of interiors of the AWCs and the kitchen garden.

However, Audit observed that, after approval of the project, the site-wise availability of land for construction, had been analysed and *post-facto* approval for changes in layout, had been taken for 1,969 AWCs. This indicated that, while OMBADC had approved the DPR for construction of the model AWCs, the DPR had not been based on the micro plan, which was required to have been prepared at the Gram Panchayat level. Thus, planning was not based on the bottom-up approach, as mandated in the guidelines of OMBADC.

While accepting the observation, the CEO, OMBADC, stated (June 2023) that the audit observation had been noted for future guidance.

7.3 Financial Management

7.3.1 Receipt and Utilisation of funds

During 2019-22, against the total approved project cost of ₹1,489.21 crore, OMBADC had released ₹453.60 crore, to the DSWOs of the four districts, for implementation of activities under the scheme "Strengthening of Integrated Child Development Services", as shown in **Table 7.1**.

Table No.7.1: Funds released and utilised by the districts during 2019-22 (as of 31 March 2022)

(₹ in crore)							
Sl. No.	District	Funds released	UCs submitted	Unspent balance (3-4)	Interest earned	Interest refunded	Balance interest not refunded (6-7)
1	2	3	4	5	6	7	8
1	Jajpur	21.77	7.12	14.65	0.36	0.0	0.36
2	Keonjhar	122.76	34.94	87.82	5.17	0.0	5.17
3	Mayurbhanj	169.65	103.91	65.74	5.86	2.88	2.98
4	Sundargarh	139.42	62.11	77.31	3.40	2.40	1.00
Total		453.60	208.08	245.52	14.79	5.28	9.51

(Source: Records of OMBADC)

As can be seen from **Table 7.1**, the Women and Child Development (W&CD) Department, GoO, had submitted Utilisation Certificates (UCs) for ₹208.08 crore only, as of March 2022, which was 45.87 per cent of the total released amount of

¹⁰⁴ Room dedicated to pregnant and lactating women

₹453.60 crore. This indicated the slow pace of implementation of the scheme, as only 45.87 *per cent* of the released amount had been utilised, after a lapse of nearly three years from the approval of the project.

While accepting the observation, the CEO, OMBADC, stated (June 2023) that the slow pace of implementation of the scheme was due to the negative impact of COVID 19 pandemic. However, the fact remains that the slow progress was persisting even post the pandemic period.

7.3.2 Non-refund of the interest amount, accrued on OMBADC Funds

As per provision of para 2(b)(v) of the ‘Guidelines for OMBADC projects financing, implementation and monitoring, 2018’, any principal amounts remaining unspent, or interest earned on the funds parked in bank accounts, were to be duly returned to OMBADC, at the end of the financial year, or at the expiry of one year from the date of sanction, whichever was earlier.

As can be seen from **Table 7.1**, during 2019-22, an amount of ₹14.79 crore had been earned as interest from OMBADC funds, by the four DSWOs of Jajpur, Keonjhar, Mayurbhanj and Sundargarh. However, only two¹⁰⁵ DSWOs had refunded ₹5.28 crore to the OMBADC, out of the interest of ₹9.26 crore earned, as of 31 March 2022, resulting in short refund of ₹3.98 crore. The remaining two¹⁰⁶ DSWOs had not returned the interest amount of ₹5.53 crore, in contravention of the above guidelines. The remaining interest amount of ₹9.51 crore had neither been utilised, nor had it been refunded, by the four DSWOs.

Accepting the observation, the CEO, OMBADC, stated (June 2023) that the PIAs had been instructed to adhere to the strictest financial discipline.

7.3.3 Blockage of funds with the Department

As per the DPR of the project, a Project Monitoring Unit (PMU), at the State level, was to be established for monitoring the activities taken up under the nutrition sector by the districts and operating in tandem with the PMUs at the district level, to ensure timely completion of the works envisaged, as well as utilisation of the funds already released. For setting up the State PMU, the W&CD Department instructed (June 2020) the Collectors of the four districts to deposit one *per cent* of the funds received for project cost, from the OMBADC, towards administrative costs, in the DDO account of the Department.

Scrutiny of records of the Department revealed that the respective Collectors had deposited ₹2.76 crore in the DDO account, between June and August 2020. However, this amount had remained parked in the DDO current account of the Department, without a PMU being set up at the State level (as of December 2022).

¹⁰⁵ Mayurbhanj and Sundargarh

¹⁰⁶ Keonjhar and Jajpur

In reply, the CEO, OMBADC, stated (June 2023) that: (i) the amount had been deposited in the flexi account of a nationalized bank and (ii) the State PMU and District PMUs had been functional since March 2023. However, the Department failed to establish the SPMU during the planned period of the project implementation, *i.e.*, July 2019 to July 2022, and the project had been implemented without any monitoring at the State Level.

7.4 Implementation of the project

OMBADC was releasing the funds to the DSWOs of the four districts and the DSWOs were releasing the same funds to the concerned Child Development Project Officers (CDPOs) and District Rural Development Agency (DRDA)/ Block Development Officers (BDOs) under their jurisdiction, for implementation of the different components of the scheme. The component-wise implementation of the scheme, by the CDPOs, is discussed below.

7.4.1 Construction of Model AWCs

In the DPR, it had been proposed (April 2019) that 1,969 model AWCs¹⁰⁷ be constructed in the four districts, at a cost of ₹15.00 lakh per unit. Subsequently, in a review meeting (September 2020), headed by Director, ICDS, it was decided to complete and handover all the AWCs by April 2021. The status of district-wise Model AWCs, as of December 2022, is given in **Table 7.2**.

Table 7.2: Status of model AWCs in the four districts

District	Model AWCs targeted for construction	Completed	Work in progress	Not started
Jajpur	08	07	01	0
Keonjhar	681	185	102	394
Mayurbhanj	553	128	154	271
Sundargarh	727	300	114	313
Total	1,969	620	371	978

(Source: Information furnished by OMBADC)

As can be seen from **Table 7.2**, out of the 1,969 sanctioned AWCs, only 620 AWCs (31.48 *per cent*) had been completed, as of December 2022. Scrutiny of records, in the test-checked DSWOs, revealed the following:

- It was observed in DSWO, Keonjhar, that, due to non-availability of required Government land (10 decimals¹⁰⁸ for each AWC), execution of the 394 model AWCs had been delayed. Out of these, suitable sites for 343 AWCs had not been selected. Subsequently, the W&CD Department had directed (November 2022) the district authorities to assess the actual availability of land, make necessary changes in their plans and consider

¹⁰⁷ Mayurbhanj: 553, Keonjhar: 681, Sundargarh: 727 and Jajpur: 08

¹⁰⁸ 10 decimals = 405 square meters

construction in less than 10 decimals, wherever adequate land was not available. This indicated that availability of required Government land had not been assessed by the block level officials, during preparation of the DPR.

- Out of the 1,408 Model AWCs, proposed for construction in the Keonjhar and Sundargarh districts, only 485 AWCs (34 *per cent*) had been allocated to the mining affected blocks, and the remaining 923 AWCs had been allocated to the non-mining blocks of both the districts, violating the purpose and objectives behind usage of OMBADC funds.

CEO, OMBADC, did not respond to these audit points.

7.4.2 Non-provision of toilets, kitchens, modular kitchens and electricity, at AWCs

Components like construction of toilets, kitchens, additional toilets, modular kitchens and electricity, were provisioned for AWCs, having their own buildings, for a total amount of ₹227.83 crore, in the DPR.

Scrutiny of records of the CEO, OMBADC, revealed the following:

- Against the total target of construction of 3,900 toilets in the four districts, only 1,488 (38.15 *per cent*) had been completed. Further, DSWO, Keonjhar, had not completed the construction of even a single toilet in the AWCs, against the target of 1,211 toilets as of December 2022, with delay of 23 months, although the date of completion was 30 January 2021. The construction of 75 kitchens (18.33 *per cent*) had been completed in the Jajpur and Sundargarh districts, as against the target of 409 kitchens, as of June 2023. Similarly, against the target of 1,110 kitchens for Keonjhar district, not a single kitchen had been completed, as of June 2023.
- In Mayurbhanj District, against the approval of 720 kitchens for 720 AWCs, the DSWO had taken up construction of kitchens in 2,343 AWCs and already completed construction of 1,335 kitchens, as of December 2022. Thus, without prior approval of the OMBADC, 1,623 excess kitchens had been taken up in 1,623 AWCs, with a financial outlay of ₹16.23 crore.
- With regard to provision of 8,171 electricity connections and construction of 8,566 modular kitchens in the AWCs of the districts, only 1,192 and 3,687, respectively, had been completed. The district authorities had achieved only 14 *per cent* and 43 *per cent*, respectively, against the corresponding targets proposed in the DPR.

In reply, the CEO, OMBADC, stated (09 June 2023) that: (i) the W&CD Department had conveyed that, although 720 kitchens had been approved for being taken up under OMBADC, there was a need for more kitchens in the AWCs, in view of the need to protect the health of the children and (ii) steps were being taken to obtain approval for the excess kitchens, from OMBADC.

The reply of the W&CD Department indicates the planning flaws, which had led to unplanned and unapproved expansion of the project.

7.5 Joint Physical Inspection

In order to verify the provision of basic facilities, provided to pre-school children in the AWCs, as well as the activities undertaken by the Anganwadi workers (AWWs), Audit conducted Joint Physical Inspection (JPI) of four newly constructed model AWCs and four previously constructed AWCs, under CDPO, Banspal, Keonjhar, in the presence of the CDPO. The JPI showed the following position in this regard:

Newly constructed model AWCs:

- All the four newly constructed model AWCs were running without basic facilities, such as electricity, drinking water facilities, overhead water tanks for toilets, child friendly furniture, playgrounds, outer play equipment for children, boundary wall, painted exterior walls *etc.*
- Although kitchens were available in all the four inspected AWCs, they were not in use, due to non-availability of LPG.
- There were no approach roads, for three of the newly constructed AWCs, as shown in **Pictures 22**.

Photograph of one of the newly constructed Anganwadi Centres inspected on 11 January 2023



Picture 22: No approach road to the AWC at Mahulapada

Previously constructed AWCs:

- There was provision for a kitchen, in all the four previously constructed AWCs. However, only three AWCs were using their kitchens for preparing food. The remaining AWC was preparing food outside, by using firewood, due to non-availability of Liquid Petroleum Gas (LPG).
- Only one AWC had been provided with a wash basin for the children, for washing their hands.
- Two AWCs did not have child-friendly furniture for the pre-school children. In the remaining two AWCs, the chairs were not being used by the children and they were being made to sit on the ground, although the chairs were stacked in rooms.
- All the four AWCs did not have basic facilities, such as electricity, toilets with water facilities, drinking water through water filters, playgrounds *etc.*

Accepting the audit observation, the CEO, OMBADC stated (June 2023) that the observations of Audit had been noted and it would be ensured that all the sanctioned activities, in all the AWCs, be completed at the earliest. However, the fact remains that due to absence of requisite amenities, the infrastructure created was not put to its proper use, rendering the expenditure unfruitful.

7.6 Crèches for children

Crèches are decentralised community-based centres, which provide a safe and secure environment for the overall growth and development of children, support women's work and enable elder siblings to attend school. The DPR had proposed operationalization of 2,482 crèches (20 *per cent* of 12,412 AWCs, in four districts), at a cost of ₹4.75 lakh per crèche.

Scrutiny of records of the DSWO, Keonjhar, revealed that, as per the DPR, 651 crèches were to be operationalised, under OMBADC. Although implementation of the project had been decided upon in July 2019, a Request for Proposal (RFP), for selection of agencies to establish and manage crèches, had been issued (January 2022) with a delay of 30 months. However, the process was put on hold by the W&CD department (March 2022), as preparation of additional guidelines, for management of crèches at the department level, was in progress. Thus, the crèches had not been operationalised, even after a lapse of four years from the implementation (July 2019) of the project.

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that the implementation of the project component under crèches would be made operational at the earliest.

7.7 Sector Resource Centre

In the DPR for the project on Strengthening of Integrated Child Development Services, setting up of Sector Resource Centres (SRCs), endowed with information and educational material on health and nutrition, was envisaged. The objective was that they could assist in sharing of knowledge and skills and also provide requisite support to the front-line workers of AWCs, in the discharge of their duties and responsibilities. As per the proposal, 50 *per cent* of the Sectors¹⁰⁹ under the CDPOs, in four districts, were to be converted into SRCs, in Rajiv Gandhi Seva Kendras (RGSKs) existing at the Gram Panchayat level.

Scrutiny of records of DSWO, Keonjhar, revealed that 60 SRCs were proposed to be set up, for which furniture and equipment had been procured, at a cost of ₹51.01 lakh, and issued to the CDPOs of the district. The concerned BDOs had confirmed the availability of space for the SRCs. However, the BDOs had not handed over the space in the RGSKs to the ICDS Supervisors under the CDPOs, due to which the equipment procured for the purpose had remained idle in the offices of the CDPOs. The CDPOs had also not requested the concerned BDOs to hand over the possession of RGSKs.

¹⁰⁹ A Sector is a group of Anganwadi Centers, headed by a supervisor under the Child Development Project Officer

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that: (i) the observation of Audit had been noted and (ii) completion of the activities in the RGSs, at the earliest, would be ensured.

7.8 Beneficiary Survey

Audit surveyed 15 beneficiaries, in nine AWCs, under CDPO, Banspal, under the Keonjhar district, to assess the impact of steps taken under OMBADC funding, including provision of hygienic kits¹¹⁰ for AWCs; promotion of complementary feeding¹¹¹; extra protein supplementation¹¹²; Information, Education and Communication (IEC) activities¹¹³; and implementation of home visit programmes¹¹⁴, for the benefit of the pre-school children in the AWCs and pregnant and lactating mothers residing in the areas of the concerned AWCs.

- IEC activities play an important role in generating awareness in the community. This component, under the OMBADC, had been approved with the provision of wall paintings in the AWC service areas, observation of designated days for events relating to the breast-feeding week, nutrition week, children's day, grandparents' day, sanitation week *etc.*

Out of the 15 beneficiaries surveyed, 11 beneficiaries were not aware of the IEC activities undertaken by the AWCs under the CDPO, Banspal, despite the CDPO having incurred expenditure of ₹26.27 lakh for the component, during July 2019 to March 2022.

- The proposal for home visits by the frontline workers (Anganwadi Worker-AWW¹¹⁵, Accredited Social Health Activist-ASHA¹¹⁶ and Auxiliary Nursing and Midwife-ANM¹¹⁷), to the beneficiaries, for counselling on health and nutrition related issues, had been approved under the OMBADC.

Out of the 15 beneficiaries surveyed, front line workers (AWW, ASHA and ANM) had visited only nine beneficiaries.

¹¹⁰ In order to ensure good hygiene practices the children attending Anganwadi centres, were to be provided Hygiene kits, with each kit consisting of a bucket, mug, soap, towel, nail cutter, footwear *etc.*

¹¹¹ In order to create awareness about complementary feeding (solid food) for children completing 6 months of age, it was planned, in the DPR, to observe Annaprashan Diwas, at the AWCs, every month

¹¹² In the Supplementary Nutrition Programme under ICDS, children (3-6 years) are provided eggs, 5 times in a week, in addition to Morning Snacks and Hot Cooked Meals

¹¹³ The IEC activities were planned and conducted to create awareness by disseminating various Nutrition, Health and Child development messages to the mothers, care givers, adolescent girls and the community, to bring attitudinal and positive behavioral changes in nutrition and health practices

¹¹⁴ The frontline workers were to make field visits and focus on issues related to nutrition, health, anemia, malnutrition and undertake nutrition counselling, for mothers and families

¹¹⁵ The Anganwadi worker is the community based voluntary frontline worker of the ICDS programme

¹¹⁶ A health activist in the community, who is to create awareness on health and social determinants, to mobilise the community

¹¹⁷ A village level health worker who is known first contact person between the community and health services

Accepting the audit observation, the CEO, OMBADC, stated (June 2023) that the efficiency and efficacy of the various awareness generation and outreach activities, would be improved.

7.9 Monitoring

As per provision under para 3(ix) of the guidelines for OMBADC project financing, implementation and monitoring, the implementing agency was required to furnish, to OMBADC: (i) a Utilization Certificate (ii) a Statement of Expenditure (SoE), in the prescribed format, duly signed by the Head of the Implementing Agency, pertaining to the funds provided for execution of the project, at the end of each financial year and (iii) the consolidated SoE, at the completion of the project. Further, as per the DPR, there was to be a State Project Monitoring Unit (SPMU) at the Department, for monitoring these activities, for which three professionals were to be engaged, *i.e.*, an Engineer to monitor construction, a Social Development Specialist and a M&E specialist, for three years.

Scrutiny of records at the Women & Child Development Department revealed (January 2023) that no PMU had been constituted at its level. Further, funds amounting to ₹2.76 crore, intended for the PMU, were parked in the current account of the DDO of the W&CD Department.

In the absence of the PMU, the physical and financial achievement of the projects, undertaken under OMBADC funding, could not be ensured at the department level. Further, though the DSWOs had submitted utilisation certificates, along with statements of expenditure, to the OMBADC, through the W&CD Department, component-wise physical and financial achievements had not been maintained at the DSWO level, due to which, the DSWOs had not submitted any Monthly Progress Reports, in the prescribed format.

Recommendation:

Government may consider:

19. *Setting up a project monitoring unit at the State level, for monitoring and supervision of the projects under the nutrition sector.*

CHAPTER-8

EDUCATION SECTOR

This chapter contains findings relating to implementation of projects under the education sector, through OMBADC funds. Audit examination revealed instances of delays/ non-submission of Detailed Project Reports; non-inclusion of schools lacking basic infrastructure; non-reserving of funds for the academic enrichment programme; irregularities in the submission of Utilization Certificate; procurement of smart class equipment without tender; inadequate implementation of Smart Class projects; delays in the implementation of solar projects and infrastructure projects in the Odisha Adarsha Vidyalayas; inadequate implementation in regard to smart classrooms; and lack of monitoring of education sector projects.

8.1 Introduction

In the 9th BoD meeting of the OMBADC, it was decided (January 2018) that, to enhance educational facilities in elementary and secondary schools, in the mining affected areas of eight districts¹¹⁸, provisions for modern teaching facilities; laboratories; playgrounds; libraries; water supply and sanitation; and infrastructure support to Odisha Adarsha Vidyalayas (OAVs), would be made. An amount of ₹1,159.88 crore was allotted to the Project Implementing Authorities, by OMBADC, during 2018-22, for this purpose. Further, in the 21st BoD meeting (June 2021), it was decided to take up infrastructure development and improvement of soft skills in 260 secondary schools (Phase-I), under vision 5T¹¹⁹ initiatives, for which ₹156 crore was allotted to the project implementing authorities of seven districts¹²⁰. In the 22nd BoD meeting (September 2022), another 886 schools were included under 5T (Phase-II), for which an additional amount of ₹531.60 crore was allotted.

The Odisha School Education Programme Authority (OSEPA), Bhubaneswar, was the project implementing authority for elementary and secondary schools. The Odisha Adarsha Vidyalaya Sangathan (OAVS), Bhubaneswar, was the implementing authority for the OAVs. Similarly, the District Education Officer (DEO)-cum-District Project Coordinator (DPC) was the controlling authority at the district level and the Block Development Officer (BDO) was the implementing authority at the Block Level.

¹¹⁸ Angul, Dhenkanal, Jajpur, Jharsuguda, Keonjhar, Koraput, Mayurbhanj and Sundargarh

¹¹⁹ Vision 5T is an action plan for governance, introduced by GoO, which means Teamwork, Technology, Transparency, Transformation and Timeline

¹²⁰ Angul, Deogarh, Dhenkanal, Jajpur, Jharsuguda, Mayurbhanj and Sundargarh

Audit test-checked records of two sampled blocks, under two districts¹²¹. Audit also conducted Joint Physical Inspection (JPI) at 12 schools, to examine the planning and execution of school infrastructure projects.

8.2 Planning

8.2.1 Delay/ non-submission of Detailed Project Reports

(a) Elementary and Secondary Schools

Scrutiny of records of OSEPA revealed that State Project Director (SPD), OSEPA, and OAVS, had submitted (December 2018) a proposal of ₹1,652.20 crore, for upgradation of school infrastructure and enhancement of quality education, in primary schools, secondary schools and OAVs, in 40 blocks of the Jajpur, Keonjhar, Mayurbhanj and Sundargarh districts. OMBADC had approved the proposal (December 2018) and sanctioned (January 2019) funds, as shown in Table 8.1.

Table 8.1: Funds sanctioned to districts for upgradation of school infrastructure

(₹ in crore)

Sl. No.	District	No. of blocks	Amount
1	Jajpur	2	88.96
2	Keonjhar	13	641.25
3	Mayurbhanj	8	270.06
4	Sundargarh	17	651.93
Total		40	1,652.20

(Source: Records of OSEPA)

Out of the total sanctioned amount, ₹925.15 crore was for projects in elementary and secondary schools and ₹727.05 crore was for projects in OAVs.

In the review meeting (April 2019) for the works sanctioned by OMBADC, it was decided that OSEPA and OAVS would submit the Detailed Project Reports (DPRs), to OMBADC, for: (i) infrastructure projects in the Elementary and Secondary Schools and Odisha Adarsha Vidyalayas, between the 4th week of April 2019 to the 2nd week of May 2019 and for (ii) smart classrooms, after finalization of rates of the required items, through tenders.

However, it was noticed that SPD, OSEPA, had submitted the DPRs, with delays ranging from three to 37 months, from the stipulated date of submission and had not submitted any DPR for the Information and Communications Technology (ICT) lab, as detailed in **Appendix X**. Further, for smart classes, against the proposal of covering 1,867 elementary schools and 512 secondary schools, DPRs had been prepared and submitted for 667 elementary schools and 318 secondary schools. DPR for the remaining 800 elementary schools and 194 secondary schools had not been submitted, till the date of Audit (November 2022).

In reply, the CEO OMBADC, stated (June 2023) that the delay in submission of DPRs was due to adoption of an elaborate process, involving baseline survey, assessment of actual requirement, preparation of detailed estimates right from the

¹²¹ Sukinda block under the Jajpur district and Pallahara block under the Angul district

bottom at the school level and engagement in the restoration process, due to cyclone *Fani*, in May 2019. In regard to the DPR for ICT labs, it was stated that the DPR would be furnished to OMBADC after finalization of rates. The reply was not acceptable, as the timelines for submission of DPRs had been fixed by the S&ME Department itself, after due consideration of relevant factors and the reasons given by OMBADC, in its reply, did not constitute unforeseen factors (except for cyclone *Fani*, which had occurred in May 2019).

(b) High School transformation programme under Vision 5T Initiative

The objective of the High School Transformation Programme, under the Government of Odisha's Vision 5T initiative, was to encourage the involvement of elected local bodies, School Management Committee (SMC) and alumni, for infrastructural transformation in schools and reshape the school processes, thereby making schools happier learning places. Apart from infrastructure, the other focus of the project was to enhance teachers' skills, instil self confidence among students and build project ownership among the teaching community, alumni, and local communities.

Scrutiny of records of the OSEPA revealed that, for transformation of 1,146 high schools (in two phases 260 + 886), under the 5T initiative, a sum of ₹687.60 crore (₹156 crore + ₹531.60), at the rate of ₹60 lakh per school, had been approved (June/ September 2021) by OMBADC and released (August 2021 and October 2021) by OSEPA, to seven districts¹²².

As per directions (15 July 2021) of the SPD, OSEPA, Collectors were required to submit DPRs for Phase-I by 22 July 2021, with the timeline for completion of the projects being 14 November 2021. For Phase-II projects, neither had specific directions been issued in regard to the timelines for submission of DPRs, nor had they been issued in regard to completion of projects. However, the Collectors of all the seven districts had submitted the DPRs, in respect of 283 schools (Phase-I) (later reduced to 260), amounting to ₹169.80 crore, in July 2021, and, in respect of 886 schools (Phase-II), during September 2021 to April 2022.

In reply, the CEO, OMBADC, stated (June 2023) that no separate timeline had been prescribed for High School Transformation Programme Phase-II, as it was an extension of Phase-I, due to which, the timelines for Phase-I, were applicable to Phase-II as well. Regarding component-wise submission of DPRs, the Department replied that the same had been submitted to OMBADC. The reply is not acceptable, as, in the absence of any timelines for Phase-II, the DPRs for Phase-II had been submitted in September 2021, while the timeline for completion of Phase-I was November 2021. Further, due to non-fixation of a timeline for completion of the projects, 55 projects, out of 886 projects under Phase-II, had remained incomplete, as of October 2022.

¹²² Angul, Dhenkanal, Deogarh, Jajpur, Jharsuguda, Mayurbhanj and Sundargarh. Deogarh being the backward and adjacent district to the mining districts of Angul and Keonjhar; hence included. As per BoD, OMBADC decision, Keonjhar was not covered under Vision 5T initiative.

(c) Odisha Adarsha Vidyalayas

As per the decisions taken in the review meeting (April 2019) of School and Mass Education (S&ME) Department, the DPRs were to be submitted between the fourth week of April 2019, to the second week of May 2019.

Scrutiny of records at OAVS revealed that the SPD, OAVS, had submitted DPRs with a delay of 24 months. Further, the SPD had not submitted DPRs for projects amounting to ₹194.23 crore, against the approved project proposals of ₹727.05 crore, till the date of Audit (November 2022), as detailed in *Appendix XI*.

In reply, the CEO, OMBADC, stated (June 2023) that the delay in submission of DPRs was due to non-availability of suitable land for OAVs, owing to land disputes; non-completion of infrastructure and ancillary works; enforcement of the election code of conduct; COVID-19; and cyclone Fani. The reply was not tenable, as these factors could have a temporary adverse effect on the execution but did not have any bearing on the preparation and submission of DPRs.

8.2.2 Non-inclusion of schools lacking basic infrastructure

Scrutiny of the records of the DPC, Jajpur, revealed that OSEPA had asked (June 2020) DPC, Jajpur, to carry out a thorough verification and make an assessment of the infrastructure gap, in regard to elementary and secondary schools, and to submit a proposal in this regard, for approval by OMBADC, by July 2020. Accordingly, the DPC, Jajpur, submitted (November 2020) a detailed project list of 78 elementary and 20 secondary schools. It was, however, observed that 31 elementary and secondary schools had not been included in the list, despite these schools lacking the basic minimum facilities of toilets, drinking water and electricity. The deficiencies in schools were intimated to the DPC, by the Block Education Officers, as detailed in *Appendix XII*. Non-inclusion of these schools indicated shortcomings in the planning process, as schools with no basic infrastructure had been left out of the selection process, depriving the children studying in these schools of basic amenities.

In reply, the CEO, OMBADC, stated (June 2023) that basic facilities, in these 31 elementary/ secondary schools, had already been provided under Samagra Siksha and District Mineral Foundation funds. However, no documents and information, were provided in this regard.

8.2.3 Non-reserving of funds for the academic enrichment programme under Vision 5T initiative

As per guidelines issued (July 2021) by the OSEPA, to seven OMBADC funded districts, for the development of school infrastructure, quality education and soft

skills in secondary schools, 15-20 *per cent* of the funds of each school, were to be reserved by the district authorities, for the academic enrichment programme¹²³.

Scrutiny of the records of DPC, Angul, revealed that the total amount of ₹15.60 crore, allotted by OMBADC, at the rate of ₹60 lakh per school, for 26 schools, had been released (September to December 2021) to the BDO, Pallahara, for infrastructure development work and no funds for academic enrichment had been reserved by the district authority. Thus, the academic enrichment programme could not be conducted in the schools located in Pallaharablock.

In reply, the CEO, OMBADC, stated (June 2023) that as most of the Secondary school buildings in Pallahara Block were in a dilapidated condition, the entire funds were released for completion of required infrastructure. However, the fact remained that the objective of promoting quality education, out of OMBADC funds, had been ignored, while spending the entire funds for infrastructural development work, in violation of guidelines issued by the OSEPA.

8.3 Financial Management

8.3.1 Irregularities in the submission of Utilisation Certificates

As per Para 2(vii) of the Guidelines of OMBADC, Utilization Certificates (UCs), accompanied with Statements of Expenditure, submitted by the executing agencies, in the prescribed format, are to be furnished, at the end of each financial year, by the concerned Administrative Departments, to OMBADC, after certifying that the conditions, on which the funds had been sanctioned, have been fulfilled. OMBADC had prescribed formats for the UCs and Statement of Expenditure.

Scrutiny of records in the OAVS revealed that an amount of ₹234.37 crore, had been released by OAVS, to the executing agencies, for infrastructure development. However, OAVS had submitted UCs amounting to ₹125.52 crore (53.56 *per cent*) only, to OMBADC, as of October 2022, while the UCs for remaining funds could not be furnished, due to non-completion of the infrastructure works. Further, the executing agencies had not furnished their Statements of Expenditure in the prescribed format. Owing to non-submission of UCs and submission of UCs which were not in the prescribed formats, OMBADC could not ascertain the physical progress against the physical targets.

Accepting the audit observation, the CEO, OMBADC, stated (July 2023) that: (i) submission of UCs was under process and (ii) the concerned Executing Agencies had been advised to furnish the UCs, along with the Statements of Expenditure, as per the prescribed format of OMBADC.

¹²³ As per the guidelines issued by the OSEPA, 'academic enrichment' refers to: (i) Continuous professional development programme for all teachers (ii) professional learning platform for teachers (iii) Board excellence programme including monitoring and special coaching for 9th and 10th grade students (iv) Student excellence programme for gifted students and programmes for 21st century skill building, critical thinking collaboration etc. (v) Head Teacher leadership development and monitoring programme and (vi) Community participation going beyond rhetoric structured stakeholders engagement

8.4 Procurement of smart class equipment without tender

Clause-12 of the Procurement Guidelines, 2012, of the Finance Department, GoO, stipulates that invitation of tenders, by advertisement, should be used for procurement of goods of estimated value of ₹ five lakh and above. A brief advertisement, for such purchase, should be given in at least one local and one national newspaper, having wide circulation. Clause-17 of the said guidelines stipulates that procurement from a single source may be resorted to, if it is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods and, in case of emergency, the required goods are necessarily to be purchased from a particular source. Reasons for such a decision are to be recorded and the approval of the next higher authority, or Government, is to be obtained. Further, the Finance Department issued (February 2019) a circular, directing that, with a view to achieving best value for the money spent on Government procurement, Government offices were advised to make maximum procurement through GeM.

Scrutiny of records of the DPC, Jajpur, revealed that, the district level Academic Enrichment Committee, headed by the Collector-cum-district magistrate, Jajpur, had selected (02 September 2021) a Central Public Sector Undertaking (CPSU)¹²⁴, for supply and installation of digital devices, for smart classrooms, in high schools of the district. Accordingly, the DPC, Jajpur, had entered into an agreement (23 September 2021) with the CPSU, for supply and installation of equipment, for 130 smart classrooms, in 65 secondary schools, at a cost of ₹4.05 crore. The work was to be completed by 30 October 2021. Although the above works had not been completed by the CPSU, the DPC had again requested (16 December 2021) the CPSU, referring to the previous agreement, to take over the same work for 195 schools, at a cost of ₹12.16 crore, with the stipulated date of completion being 20 February 2022. However, the agency had not been able to install equipment in 22 schools out of 195, as of December 2022, due to non-completion of the construction work of the classrooms.

Since the selected CPSU was not the only supplier of smart class equipment and no approval of Government, for emergency use, had been obtained, placement of the contract with the CPSU, without tender, was irregular.

In reply, the CEO, OMBADC, stated (June 2023) that, as EdCIL is a Government Agency under the Government of India, the order had been placed to EdCIL, as per the MoU signed by EdCIL, with the Collector and District Magistrate, Jajpur, in term of orders (July and November 2018)¹²⁵ of Finance Department. However, the fact is that the cited orders (July and November 2018) were applicable for the engagement of consultants and outsourcing of services and not to the procurement of goods. Therefore, the procurement made was in violation of the provisions of the Procurement Guidelines, 2012 and orders of the Finance Department (20 February 2019).

¹²⁴ EdCIL (India) Ltd., Noida

¹²⁵ Finance Department OM No. 25271 dated 30 July 2018 and No.37323 dated 30 November 2018

8.5 Implementation of projects in Elementary and Secondary schools

8.5.1 Inadequate implementation of Smart Class projects

The S&ME department decided (August 2020) to form a technical committee, under the Chairmanship of the CEO, Odisha Computer Application Centre (OCAC), to execute the work of Information and Communications Technology (ICT) labs¹²⁶, and smart classes¹²⁷, at elementary and secondary schools, under OMBADC funds.

The SPD, OSEPA, submitted (July 2021) a list of 1,053 elementary and secondary schools of four districts¹²⁸, where 3,158 smart classes were to be installed, to OCAC. This was subsequently revised (December 2021) to 3,199 smart class equipment, in 985 schools. Accordingly, OCAC issued (November 2021) a revised purchase order (PO), in favour of M/s Uneecops Technologies Limited, for supply of 3,199 smart class equipment, amounting to ₹98.59 crore. As per the conditions of the PO, 100 *per cent* of the equipment was to be supplied at all locations, within 120 days of issue of the PO. Further, installation was to be done and training was to be imparted within 150 days from the date of issue of the purchase order. The timeline for completion was, subsequently, extended up to 31 March 2022, owing to the Covid pandemic and delayed confirmation of the final list of schools by OSEPA.

In this regard, Audit observed the following:

- OCAC had not commenced installation of the ICT labs in the schools, due to non-preparation of DPR and placement of orders, till the date of audit (December 2022), even after a lapse of more than two years from formation of the committee.
- The agency had not conducted any site survey, though this had been stipulated in the Request for Proposal. Due to this, 688 smart class equipment, in 242 schools, could not be



Picture-23: In Tarini Government Nodal primary school, Smart class was not utilized

¹²⁶ Information and Communication Technology (ICT) Labs aim to integrate information technology into the teaching and learning process, through theme centered and software centered approaches

¹²⁷ A smart class is a modernized method of education, to provide quality education to students, by helping them in better concept formation, concept elaboration, improvement in reading skills and academic achievement, with the usage of components like interactive white boards, short throw projector, speakers with microphone and wireless microphone

¹²⁸ Jajpur, Keonjhar, Mayurbhanj and Sundargarh

installed, owing to non-readiness of the sites for installation (as of September 2022).

- Test-check of 81 installation reports of the Keonjhar district, submitted by the agency, revealed that, in eight schools, basic facilities, like electricity connections were not available. In 14 schools, training had not been imparted to the teachers, on the use of smart class equipment. In one school, two projectors were missing, as per the installation report (25 April 2022) and FIR had been lodged.

During Joint Physical Inspection (JPI) (16 January 2023) at a sampled school¹²⁹ of the Sukinda block, under Jajpur, it was observed that, out of the three Smart Class equipments supplied by the agency, one projector-based smart class equipment had been lying idle since its installation (February 2022) and furniture had been stored in the room that was designated as the classroom, as evident from **Picture 23**. Similarly, during JPI (17 January 2023) in another school, *i.e.*, Kaduabandi UP Graded Middle English (UGME) School, Sukinda block, it was observed that: (i) there was no provision for permanent power connections for the smart class equipment and (ii) smart class equipment for classes I, II, III, had been installed in the library room, instead of in the class rooms. Further, no internet facility had been provided in any of the five¹³⁰ test-checked elementary and secondary schools, under the Sukinda block.

While admitting the fact, the CEO, OMBADC, replied (June 2023) that the implementation of ICT Labs were under progress. Regarding installation of smart class equipment, missing smart class equipment, provision of basic facilities in schools, training and internet facilities, it was stated that necessary steps had been taken to resolve the issues, the status of which is in progress. However, the fact remains that delay in installation will result in reduced warranty service, and storing equipment in unused condition for long time may damage the equipment.

8.5.2 Projects under High School transformation under Vision 5T initiative

As per the 21st meeting (28 June 2021) of BoD, the SPD, OSEPA, had directed (July 2021) the Collectors of the seven districts, to complete infrastructure development works, in 260 schools, under Phase-I, by 14 November 2021. Further, while it had been decided, in the 22nd BoD meeting (20 September 2021), that infrastructure development work,



Picture-24: Non-provision of water connection in science lab of Patitapaban High School

¹²⁹ Tarini Government Nodal Primary School in village Abhayapur, under the Olia GP of the Sukinda block

¹³⁰ 1. Tarini Nodal UP School, Abhayapur 2. Up-Graded Middle English (UGME) School, Atta 3. Government Upper Primary School, Bandhagaon 4. Santarapur Upper Primary School and 5. Kaduabandi UGME School, under the Sukinda block

in 886 schools, would be taken up under Phase-II, no specific timelines had been prescribed for completion of the projects.

Scrutiny of records at OSEPA revealed that infrastructure works, in two schools, under Phase-I and 55 schools, under Phase-II, were incomplete, as of October 2022, as detailed in *Appendix XIII*. Further, in one test-checked block, infrastructure work in two schools was incomplete, as of January 2023.

During JPI (07 February 2023) in three sampled schools¹³¹, in the Pallahara block, Angul, and JPI (17 January 2023) of two sampled schools¹³², in the Sukinda block, it was observed that there were no internet connections, due to which the smart classrooms and e-library, could not be utilized. In the Nabajyoti GP High School, Dalo, there was no water connection in the chemistry laboratory, minimizing its utility for students.

During JPI (17 January 2023) at the sampled Patitapaban High School, in the Sukinda block, Jajpur, it was observed that, although works under 5T, in all the test-checked schools had been shown as having been completed, in the Monthly Progress Report (MPR) submitted to OSEPA, work relating to the playground, inside the school, was incomplete. Similarly, science lab equipment was lying idle, due to non-provision of water and electricity connections.

While accepting the audit observation, the CEO, OMBADC, replied (June 2023) that infrastructure work was under progress.

8.5.2.1 Misreporting in Monthly Progress Report

As per the MPRs for the month of October 2022 and January 2023, of the Sukinda and Pallahara blocks, respectively, it was seen that, although all works under the 5T initiative, in regard to the respective schools, had been shown as having been completed, during the JPI, it was observed that the works had not actually been completed. This indicated misreporting in the MPRs (details indicated in **Table 8.2**).

Table 8.2: Misreporting of incomplete works under selected blocks

Name of the district	Name of the block	Name of the School	Name of the work remained incomplete as per JPI	Status as per MPR
Angul	Pallahara	Nabajyoti GP High School, Dalo	Incomplete Chemistry Laboratory due to non-provision of water	Completed
		Upgraded High School, Vetia	Incomplete Smart Classroom, E-library and Toilet	Completed
Jajpur	Sukinda	Patitapaban High School, Pimpudia	Incomplete science laboratory and Incomplete playground	Completed
		Mahagir Nodal High School, Kuhika	Incomplete Additional Classroom and toilet	Completed

Source: Information furnished by the Pallahara and Sukinda Blocks

¹³¹ Upgraded High School, Vetia; Nabajyoti GP High School, Dalo; and Government HS, Malyagiri

¹³² Mahagir Government High School, Kuhika and Patitapabana High School, Pimpudia

8.5.3 Implementation of projects in the Odisha Adarsha Vidyalayas

The Project Implementing Agencies, for the Odisha Adarsha Vidyalayas, had completed only 107 infrastructure projects, out of 235 infrastructure projects, as of March 2022. The remaining 128 infrastructure projects had been delayed, with delays ranging from 04 to 404 days from the stipulated dates of completion, *i.e.*, from 20 February 2021 to 27 March 2022. Although there were no delays in the submission of DPRs in respect of civil infrastructure, ICT Labs and smart classrooms, by OVAS, to OMBADC, the works had not been completed, as of March 2022. Due to delays in the submission of DPRs in regard to furniture and CCTV networking, these works had been still under progress, as of March 2022. Further, firefighting systems had been installed in 26 OAVs, out of the 36 OAVs targeted and solar power projects had been implemented in 39 OAVs, out of the targeted 40 OAVs, as of March 2022.

(a) Delay in implementation of solar projects in OAVs, by the Odisha Renewable Energy Development Authority

Scrutiny of records in OAVS revealed that the SPD, OAVS, had requested (February 2019) the Odisha Renewable Energy Development Authority (OREDA) to submit a DPR, for implementation of a 20 KW grid connected solar power station and standalone 15-watt solar lights, in 40 OAVs, in the Jajpur, Keonjhar, Mayurbhanj and Sundargarh districts. Subsequently, OREDA had submitted (March 2019) the DPR, containing an estimated cost of ₹8.94 crore, for the 40 OAVs. The implementation was to be carried out between March 2020 and March 2022.

SPD, OAVS, had, subsequently, requested (November 2021) CEO, Tata Power Northern Odisha Distribution limited and Western Odisha Distribution Limited, to provide Net Metering¹³³ facility to the OAVs, to make the Solar Power System functional. Audit, however, observed that, as of October 2022, out of the 39 OAVs that had been completed, net metering had not been completed in 13 OAVs, for various¹³⁴ reasons, while one project, at Bodapolasa, in the Keonjhar district, had remained incomplete, for want of site clearance.

In reply, CEO, OMBADC, stated (July 2023) that: (i) out of 39 OAVs, Net metering had not been completed in 13 OAVs, for various reasons (ii) OREDA was in touch, regarding this matter, with the concerned TATA Power DISCOMS (iii) as on date, Net Meters had been provided in 30 OAVs and (iv) the balance would be completed soon. However, the fact remains that Net metering had not been completed, as of July 2023, in remaining nine OAVs, for optimal utilization of solar projects.

¹³³ 'Net metering' is a way of using the electric grid, to store the energy produced by the solar power system, for use at a later point in time.

¹³⁴ Online application for net metering was pending in seven OAVs; 3-phase grid was not available in two OAVs; inspection was pending in two OAVs; and dual earthing had been not provided in two OAVs.

(b) Inadequate implementation in regard to Smart classrooms

For installation and commissioning of smart classrooms in OAVs, the L1 bidder¹³⁵ was selected (February 2022), with a total cost of ₹20.39 crore, for installation of 694 smart classrooms, in 111 OAVs of the State, at the rate of ₹2,93,820 per smart classroom. Out of the 694 smart classrooms, 394 were OAVs of the four OMBADC funded districts. Accordingly, OCAC issued (February 2022) a purchase order (PO) with the agency, for supply of 694 units of Smart Class equipment. As per the terms and conditions of the RFP, 100 *per cent* of the ordered devices were to be supplied at all locations within 56 days and installation and training was to be completed within 98 days, from the date of issuance of the purchase order.

The agency supplied all the 694 units of smart classroom equipment during June 2022. However, Audit noticed that 21 units of equipment had not been installed, as of December 2022, due to unavailability of proper sites for installation. Out of these 21 units of equipment, 20 pertained to the three districts under OMBADC. Further, no internet connections were made available to any of the OAVs in the OMBADC funded districts, indicating that no site survey had been conducted by the agency, though this had been stipulated in the RFP.

In reply, CEO, OMBADC, stated (July 2023) that: (i) non-installation of Smart Class equipment was due to non-readiness of classrooms at OAVs and (ii) the proposal in regard to internet connections, was now under active consideration.

The reply indicated planning and implementation deficiencies.

(c) Inordinate delay in execution of infrastructure projects of OAVs

Scrutiny of records of the Executive Engineer (Rural Development-II) (EE, RWD), Keonjhar, revealed that projects like hostel building for girls and boys, kitchen-cum-dining hall, multi-purpose hall, internal approach road, cycle stand, playground, boundary wall, firefighting facilities etc., in five OAVs of the Keonjhar District, had been taken up by EE, RWD, Keonjhar, at an estimated cost of 4.12 crore.

In this regard, Audit observed the following:

- As per the agreement, the works had to be completed between June and October 2020. Although civil construction of five kitchen-cum-dining halls had been completed, electrical installations were not in place, as of January 2023, resulting in non-utilisation of the kitchen-cum-dining halls.
- Further, during JPI (30 December 2022) of the OAV at Oriya, Telkoi block, in Keonjhar district, it was observed that, although there was provision for electrical equipment, in the estimate, the cycle stand had not been equipped with electrical fittings. Further, the approach road to the cycle stand was unusually steep, causing inconvenience to the students.

In reply, CEO, OMBADC, stated (July 2023) that shortcomings in electrical and civil works would be rectified and completed by July 2023.

¹³⁵ M/s Uneecops Technology Limited

Further, scrutiny of records of the Executive Engineer, Roads and Building, Ghatagaon, Keonjhar, revealed that 36 projects of civil work, like boundary wall, cycle stand, entrance gate and hostel for boys and girls, internal approach road and kitchen cum dining hall etc., in six OAVs, had to be completed between January 2021 and July 2022, as per the respective agreements. However, eight projects had remained incomplete, as of the date of audit (January 2023), while the remaining 28 projects had been completed with delays ranging from 43 to 686 days. Further, out of the 28 completed projects, only six projects had been handed over to the concerned OAVs, as of January 2023.

In reply, CEO, OMBADC, stated (July 2023) that the delays in completion were mainly due to land issues, tendering process, shifting of electricity line and vetting of design from the competent authority. Regarding handing over of completed projects, it was stated that 35 out of 36 projects had been completed and handed over and the remaining one would be handed over in September 2023. However, the fact remains that the completion of 35 projects had taken more than the scheduled time and one was yet to be completed, depriving the intended users of the timely benefits envisaged to be delivered to them, through these projects.

(d) Non-maintenance of asset register and non-review of progress of projects

- Record of permanent and semi-permanent assets, created out of the funds provided by the OMBADC, for the project, had not been maintained by EE, RD-II, Keonjhar, although this was stipulated in Clause 3 (vi) of the guidelines for OMBADC project financing, implementation and monitoring.
- The progress of the project had not been reviewed/ monitored, at least once in every quarter, by CEO, OMBADC, or an officer authorised by OMBADC, despite this being stipulated in Clause 3 (viii) of the guidelines for OMBADC project financing, implementation and monitoring.

In reply, CEO, OMBADC, stated (July 2023) that an Asset Register would be maintained. However, no specific reply was furnished in regard to the shortcomings in monitoring.

8.6 Monitoring

DPRs had been submitted with delays ranging from one month to three years, by SPD, OSEPA and OAVS. Further, neither had specific directions been issued in regard to the timelines for submission of DPRs, nor in regard to the completion of projects, under the High School transformation programme, under 5T. Due to inadequate survey, some schools, lacking basic infrastructure, had not been included for upgradation. The smart class equipment, provided to elementary and secondary schools, had not been installed, owing to non-readiness of sites and want of electricity connections. Asset registers had not been maintained at the level of the executing agencies, despite this having been stipulated in the guidelines. Although projects had been shown as having been completed in the

MPRs, they were incomplete/ lying idle (as seen during joint physical inspection), which indicated lack of monitoring by the OMBADC.

Recommendations:

Government may consider:

20. *Issuing specific directions in regard to the timelines for submission of DPRs and completion of projects, under High School Transformation, under 5T.*
21. *Implementation of an online UC management system, with supporting documentation for effective monitoring of utilization of funds.*
22. *Fixing responsibility on the officials responsible for misreporting the actual execution of projects and manipulating information in the monthly progress reports.*
23. *Ensuring that no school lacking basic infrastructure, in the mining affected areas, is left out for upgradation.*
24. *Providing necessary internet connections to all schools, so that the schools are able to use the smart classrooms and e-library.*

Bhubaneswar
The

(ATUL PRAKASH)
Accountant General (Audit-II), Odisha

Countersigned

New Delhi
The

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

APPENDICES

Appendix – I
(Refer paragraph 2.3.3.1 at page -14)
Release of funds to various line departments during 2018-22

(₹ in crore)

Sl. No.	Department	Year-wise funds released to line departments					Amount utilised	Balance	Percentage of Utilisation
		2018-19	2019-20	2020-21	2021-22	Total			
1	Agriculture & Farmer's Empowerment Department	3.86	3.04	53.13	61.36	121.39	52.07	69.32	42.89
2	Fisheries & Animal Resources Development Department	0.00	1.21	16.52	26.97	44.70	27.11	17.59	60.65
3	Forest, Environment and climate change Department	66.85	0.00	31.04	91.60	189.50	155.30	34.20	81.95
4	Health and Family Welfare Department	195.00	0.00	19.60	11.99	226.59	132.37	94.22	58.42
5	Housing & Urban Development Department	5.19	7.84	12.87	272.07	297.97	176.64	121.33	59.28
6	Panchayati Raj and Drinking Water Department	195.25	478.54	1681.34	944.11	3299.24	2943.70	355.54	89.22
7	Mission Shakti Department	10.43	0.00	10.43	2.40	23.26	13.72	9.54	58.99
8	Rural Development Department	19.40	34.91	138.03	23.07	215.41	194.78	20.63	90.42
9	ST & SC Development, Minorities & Backward Classes Welfare Department	18.02	0.00	21.50	23.76	63.28	35.77	27.51	56.53
10	Skill Development & Technical Education Department	5.13	9.04	0.00	59.07	73.24	19.54	53.70	26.68
11	School and Mass Education Department	72.88	0.00	164.40	927.16	1164.44	432.51	731.93	37.14
12	Woman & Child Development Dept	0.00	275.65	2.80	175.15	453.60	209.20	244.40	46.12
13	Handloom, Textile & Handicrafts Department	0.00	0.00	0.00	12.44	12.44	0.00	12.44	0.00
14	Social Security & Empowerment of Persons with Disabilities Department	0.00	0.00	0.00	10.50	10.50	8.58	1.92	81.71
15	Sports and Youth Service Dept	0.00	0.00	0.00	31.24	31.24	0.48	30.76	1.54
Total		592.01	810.23	2,151.66	2,672.89	6,226.79	4,401.77	1,825.02	70.69

Source: Information furnished by OMBADC

Appendix – II

(Refer paragraph 3.3.3.3 at page -30)

Villages covered in small PWS projects overlapped in Mega PWS Projects

Name of the Mega PWS project	Small PWS projects overlapped with Mega PWS projects		Village covered in the Small PWS projects overlapped with Mega PWS projects	
	Sl. No.	Name of the Small PWS project	Sl. No.	Village
Mega PWS to Champua, Jhumpura, Keonjhar and Banspal	1	PWS to Kumundi	1	Kumudi (Ka)
			2	Kumudi (Kha)
	2	PWS to Kushkala	3	Kushakala
	3	PWS to-Singhpur	4	Singppur (Ka)
			5	Singppur (Kha)
	4	PWS to-Suakati	6	Suakati
Mega PWS to Hatadihi	1	PWS to village Barunpadi & adjoining villages	1	Barunpadi
			2	Kakharugadia
			3	Bhargadia
			4	Bharonpur
			5	Belamal
			6	Anlagadia
	2	PWS to village Nimdani & Adjoining villages	7	Nimdani
			8	Mirchipada
			9	Balia
	3	PWS to Sangam	10	Sangam
	4	PWS to Kaniari	11	Kaniari
	5	PWS to village Motargadia & adjoining villages	12	Motargadia
			13	Tentulipadi
			14	Dhrampur
	6	PWS to Jhanjhana	15	Jhanjhana
	7	PWS to Bariagaon & adjoining villages	16	Bariagaon
			17	Ambagadia
	8	PWS to Purunapani	18	Purunapani
	9	PWS to village Mithigaon & adjoining village	19	Mithigaon
			20	Naha
			21	Bargadia
	10	PWS to village Mauda & adjoining village	22	Mauda
			23	Raghunathpur
			24	Jantalpadi
	11	PWS to Sosa	25	Sosa
	12	PWS to Dhenka	26	Dhenka
	13	PWS to Sadha	27	Sadha
Mega PWS to Jashipur & Raruan	1	PWS to Kumbharpandugondi	1	Kumbharpandugondi
	2	PWS to Maharajpur	2	Maharajpur
Mega PWS to	1	PWS to Bhunyabasa	1	Bhunyabasa

Name of the Mega PWS project	Small PWS projects overlapped with Mega PWS projects		Village covered in the Small PWS projects overlapped with Mega PWS projects	
	Sl. No.	Name of the Small PWS project	Sl. No.	Village
Kusumi	2	PWS to Hatisikuli	2	Hatisikuli
	3	PWS to Nagalsila	3	Nagalsila
	4	PWS to Purunapani	4	Purunapani
	5	PWS to Dhangdimuta	5	Dhangdimuta
Mega PWS to Rairangpur	1	PWS to Badmouda	1	Badmouda
	2	PWS to Katupit	2	Katupit
	3	PWS to Kalimati & Tileijhari	3	Tileijhari
	4	PWS to Balikhani	4	Balikhani
	5	PWS to Beshrakacha	5	Beshrakacha
	6	PWS to Gorumahisani	6	Gorumahisani
	7	PWS to Jarihil	7	Jarihil
	8	PWS to Kuleisila	8	Kuleisila
	9	PWS to Nodhabani	9	Nodhabani
	10	PWS to Tolak	10	Tolak
Total	34		50	

Source: Records from Engineer-in-Chief of RWSS

Appendix -III
(Refer paragraph 3.3.4.1 at page 36)
Projects approved by OMBADC and their status, as of September 2022

(₹ in crore)

Sl. No.	Project	District wise Project approved by Board		Finalisation of tender by PR&DW Department			Extension of date/ time approved (date/ no. of days)	Amount paid	Physical status as of projects (In percentage)
		Meeting of BoD	Total amount approved	Agreement cost	Date of agreement	Stipulated date of completion			
1	2	3	4	5	6	7	8	9	10
1	Mega PWS to Harichandanpur, Ghatgaon, Telkoi, Patna & adjoining block of Pallahada block	14 th	1,163.80	1,176.49	4/12/2019	18/12/2021	31/12/2022 (378)	989	81
2	Mega PWS to Champua, Jhumpura, Keonjhar and Banspal	14 th	659.65	979.82	15/02/2019	1/3/2021	28/02/2023 (722)	837	81
3	Mega PWS to Rairangpur	14 th	215.41	193.73	1/2/2019	1/3/2021	31/12/2022 (665)	165.67	91
4	Mega PWS to Jashipur & Raruan (26 villages)	14 th	461.09	236.27	15/02/2019	1/3/2021	31/12/2022 (665)	183.04	87
5	Mega PWS to Hemgiri	14 th	167.89	154.43	17/12/2019	31/12/2021	31/12/2022 (365)	312	74
6	Mega PWS to Kutra & Bargaon	14 th	136.65	125.69	17/12/2019	31/12/2021	31/12/2022 (365)		90
7	Mega PWS to Rajgangpur	14 th	119.59	110.79	17/12/2019	31/12/2021	31/12/2022 (365)		80
8	Mega PWS to Gurundia	14 th	169.76	152.00	19/03/2020	3/4/2022	31/03/2023 (358)	69.46	64
9	Mega PWS to Koira	14 th	62.93	55.46	19/03/2020	3/4/2022	31/03/2023 (358)	28.36	66
10	Mega PWS to Lahunipada	14 th	131.25	112.65	19/03/2020	3/4/2022	31/03/2023 (358)	63.14	64
11	Mega PWS to Kuarmunda	14 th	191.13	161.46	19/03/2020	3/4/2022	31/03/2023 (358)	79.83	65
12	Mega PWS to Nuagaon	14 th	216.76	178.93	19/03/2020	3/4/2022	31/03/2023 (358)	97.41	64
13	Mega PWS to Kusumi	14 th	249.74	206.51	13/11/2019	27/11/2021	30/11/2022 (368)	188.78	84
14	Mega PWS to Hatadihi	14 th	127.36	281.87	13/11/2019	27/11/2021	30/11/2022 (368)	271.03	86
15	Mega PWS to Sukinda, 19 villages (Project-I)	14 th	54.81	46.19	13/11/2019	27/11/2021	30/11/2022 (368)	43.46	95
16	Mega PWS to Sukinda, 52 villages (Project-II)	14 th	101.24	107.00	13/11/2019	27/11/2021	30/11/2022 (368)	99.27	85

Sl. No.	Project	District wise Project approved by Board		Finalisation of tender by PR&DW Department			Extension of date/ time approved (date/ no. of days)	Amount paid	Physical status as of projects (In percentage)
		Meeting of BoD	Total amount approved	Agreement cost	Date of agreement	Stipulated date of completion			
17	Mega PWS to 285 villages in 04 blocks of (Bisra, Lathikata, Lahunipada and Bonei) Sundargarh district, Phase-III	18 th	511.03	388.82	31/08/2021	18/09/2023	NA	53.21	15
18	Mega PWS to Lephripada, Tangarpalli, Sundargardega Bargaon, Subdega & Baliasankara block	18 th	585.16	786.66	4/9/2021	19/09/2023	NA	82.65	15
19	Mega PWS to Saraskana, Kuliana & Bangriposi block consisting of Saraskana (Part), Kuliana (Part) Bangriposi (Part)	20 th	231.57	182.33	4/3/2022	18/03/2024	NA	0	0
20	Mega RPWS Scheme to 25 GPs of Bangiriposi & Kuliana Block of Bangiriposi (Part) 16 GPs, Kuliana (Part) 9 GPs	20 th	226.47	177.79	04/03/2022	18/03/2024	NA	0	0
21	Mega RPWS scheme to 26 GPs of Udala and Khunta block consisting of Udala all 12 GPs, Khunta all 14 GPs under Mayurbhanj District	20 th	269.58	194.36	13/06/2022	27/06/2024	NA	0	0
22	Mega PWS project to supply drinking waterto all 30 GPs of Badasahi block & 6 GPs of GB Nagar block (part)	20 th	242.83	182.87	13/06/2022	27/06/2024	NA	0	0
23	Mega PWS project to supply drinking water to all 11 GPs of Baripada block & 1 GP of Samakhunta block (part)	20 th	123.52	102.36	4/3/2022	18/03/2024	NA	0	0
24	Mega PWS Project to 121 villages under Samakhunta block	20 th	139.71	87.82	4/3/2022	18/03/2024	NA	0	0
25	Mega PWS Project to supply drinking water to all household of Raruan block	20 th	86.4	65.09	10/6/2022	24/06/2024	NA	0	0
26	Mega PWS project to supply drinking water to all household of Sukruli block	20 th	100.66	86.34	10/6/2022	24/06/2024	NA	0	0
27	Mega RPWS project to 26 GPs under Kaptipada block	20 th	110.65	206.94	4/3/2022	18/03/2024	NA	0	0
28	Mega PWS to 13 GPs of Kaptipada block	21 st	149.91	NA	NA	NA	NA	0	0
	Total		7,006.55	6,740.67					

Source: Information furnished by OMBADC and EIC, RWSS

Appendix - IV
(Refer paragraph 3.3.4.1 at page 36)
Delays in inviting tenders

(₹ in crore)

Sl. No.	Project	BID ID No.	Date of Bid	Date of opening of financial bid	Date of approval of tender by Govt	Time taken for tender in days
1	2	3	4	5	6	7
1	Mega PWS to Saraskana, Kuliana & Bangriposi block consisting of Saraskana (Part), Kuliana (Part) Bangriposi (Part)	15/2021-22	28/07/2021	3/1/2022	28/5/2021	218
	Mega RPWS Scheme to 25 GPs of Bangiriposi & Kuliana block of Bangiriposi (Part) 16 GPs, Kuliana (Part) 9 GPs					
2	Mega RPWS scheme to 26 GPs of Udala and Khunta block consisting of Udala all 12 GPs, Khunta all 14 GPs under Mayurbhanj district	25/2021-22	29/09/2021	17/02/2022	07/05/2021	281
	Mega PWS project to supply drinking waterto all 30 GPs of Badasahi block & 6 GPs of GB Nagar block (part)					
3	Mega RPWS project to 26 GPs under Kaptipada block	17/2021-22	28/07/2021	3/1/2022	28/05/2021	218
	Mega PWS to 13 GPs of Kaptipada block					
4	Mega PWS project to supply drinking water to all 11 GPs of Baripada block & 1 GP of Samakhunta block(part)	16/2021-22	28/07/2021	1/1/2022	28/05/2021	218
	Mega PWS Project to 121 villages under Samakhunta Block					
5	Mega PWS Project to supply drinking water to all household of Raruan block	26/2021-22	29/09/2021	17/02/2022	19/05/2022	281
	Mega PWS project to supply drinking water to all household of Sukruli block					

Source: Information furnished by EIC, RWSS

Appendix-V
(Refer paragraph 3.3.4.2 at page - 37)
Excess payment for one intake well and WTP, constructed for both the projects*

(in ₹)

Sl. No.	Particulars	As per agreement		Admissible, as per agreement			Payment made in the 21st RA bill				Excess amount paid
		Contract price	Item-wise payment break-up against the agreement value (in per cent)	Admissible, as per contract price and price breakup	Quantity executed (as per 21st RA) (in per cent)	Amount admissible	Item-wise payment break-up (in per cent)	Admissible as per contract price and price breakup	Quantity executed	Amount paid	
1	2	3	4	5	6	7	8	9	10	11	12
I	On completion of topographic survey of each site, completion of geo technical investigation at the location of all structures like intake well, pump house, WTP compound wall intake well, walkways, all components of WTP, process, design, hydraulic design, architectural and structural design of all components etc.	43,99,00,000	1	43,99,000	0.785	34,53,215	1	43,99,000	0.785	34,53,215	0
II	Raw water Head works i.e., construction of Intake well pump house, EOT crane, testing commissioning of transformer near Intake well		5	2,19,95,000	0	0	0	0	0	0	0
III	Supplying pipe and pipe fittings and laying and jointing DI_K7 and DI-K9 from RWRM to WTP		15	6,59,85,000	0	0	0	0	0	0	0
IV	Required capacity of WTP with ancillary work like cascade Aerator, Flash mixer etc.		15	6,59,85,000	0	0	0	0	0	0	0
V	On supplying pipe and pipe fittings from CWRM to ESR		23	10,11,77,000	0.990812	10,02,47,436	40	17,59,60,000	0.990812	17,43,43,367	7,40,95,931
VI	Design, construction, testing and commissioning of ESR		10	4,39,90,000	0.96868	4,26,12,233	20	8,79,80,000	0.96868	8,52,24,466	4,26,12,233
VII	On supplying of HDPE pipes and fitting for distribution net		19.5	8,57,80,500	0.991003	8,50,08,718	27	11,87,73,000	0.991003	11,77,04,378	3,26,95,661
VIII	Construction of Compound wall around ESR		0.5	21,99,500	0.999993	21,99,485	1	43,99,000	0.999993	43,98,971	21,99,485
IX	Supplying fitting and fixing of flow metre for PLC Scada		1	43,99,000	0.2	8,79,800	1	43,99,000	0.2	8,79,800	0
X	Testing and trial run etc.		10	4,39,90,000	0.375155	1,65,03,086	10	4,39,90,000	0.375155	1,65,03,086	0
	Total	43,99,00,000	100	43,99,00,000		25,09,03,973	100	43,99,00,000		40,25,07,283	15,16,03,310

*1. Mega PWS Project to mining affected 37 villages under the Sukinda block (Adhoc camp) and 2. Mega PWS Project to mining affected 19 villages under the Sukinda block (compensation fund).

Source: Information furnished by OMBADC and EIC, RWSS

Appendix -VI
(Refer paragraph 4.3.3 at page - 48)
Non-provision of houses to eligible households

Joint Physical Inspection of houses, at the Jaypur village of Kutugaon GP, under the Jhumpura block, on 16 February 2023

Sl. No.	Name of the beneficiary	Photograph	Remark
1	Name withheld		One villager stated that his name had not been included in the housing list despite several requests. The GP or Block authorities had not visited him, for verification.
JPI at Dhanurjaypur of the Balani GP, under the Joda Block, on 14 February 2023			
2	Name withheld		One villager stated that he had applied five times, in the past years, for a pucca house. However, his name had not been included under any housing scheme. The GP or Block authorities had not visited him, for verification.
3	Name withheld		One villager stated that he had applied three times, in the past years, for: pucca house. However, his name had not been included under any housing scheme. The GP or Block authorities had not visited him, for verification.
JPI of houses at Chuinpali of the Bhikampali GP, under the Lakanpur Block, on 27 January 2023			
4	Name withheld		One villager stated that, although the Sarpanch of Bhikampali GP had verified and included the name of her husband in his verification report, the same had not been considered for housing assistance, under BPGY (M), till the date of Audit

Sl. No.	Name of the beneficiary	Photograph	Remark
JPI of houses at the Kirarama village, of the Sarandamal GP, under the Lakhanpur block, on 31 January 2023			
5	Name withheld		One villager stated that she had not been provided with: pucca house under OMBADC, though her house was in a damaged condition and she was residing in her own homestead land.
6	Name withheld		One villager stated that she had not been provided with a house under OMBADC, though her house was in a damaged condition and she was residing in her own homestead land.
JPI of houses at the Uliburu village, of the Balagoda GP, under the Joda block, on 18 December 2022 and 19 December 2022			
7	Name withheld		One villager stated that she had not availed of a house, under any scheme.
8	Name withheld		One villager stated that he had not availed of a house, under any scheme.
9	Name withheld		One villager stated that he had not availed of a house, under any scheme.

Sl. No.	Name of the beneficiary	Photograph	Remark
10	Name withheld		One villager stated that he had not availed of a house, under any scheme.
11	Name withheld		One villager stated that he had not availed of a house, under any scheme.

Source: Joint Physical Verification of Housing Sector

Appendix – VII
(Refer paragraph 4.3.5 at page - 49)

Houses that remained incomplete as per JPI but were shown as completed in the case records

JPI of houses at the Jaypur village of Kutugaon GP, under the Jhumpura block, on 16 February 2023

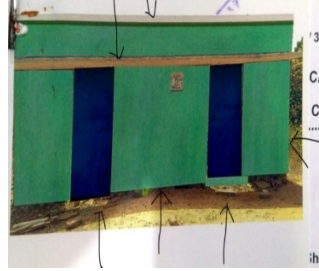
Sl No.	Name of the beneficiary	Photograph as per JPI	Remark as per JPI	Photograph as per case record	Remark as per Case record
1	Name withheld		The house remained incomplete; the outer and inner walls were not plastered.		Photograph of the house, as per Case Record No-807/2016-17
2	Name withheld		The house remained incomplete; the outer and inner walls were not plastered.		Photograph of the house, as per Case Record No-2/2015-16

JPI at the Kaijoda village of Basantpur GP, under the Jhumpura block, on 23 December 2022

3	Name withheld		Plaster, Flooring, door and window, were incomplete.		Photograph of the house, as per Case Record No-729/2016-17
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JPI at the Dhanujaypur village of Balani GP, under the Joda block, on 14 February 2023

4	Name withheld		House remained incomplete, as on the date of the JPI		Photograph of the house, as per Case Record No. 629/2015-16
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Sl No.	Name of the beneficiary	Photograph as per JPI	Remark as per JPI	Photograph as per case record	Remark as per Case record
5	Name withheld		House remained incomplete, as on the date of the JPI		Photograph of the house, as per case record No.3463/2015-16
JPI at the Dhanujaypur village of Balani GP, under the Joda block, on 14 February 2023					
6	Name withheld		Window and hosing logo not fitted.		Photograph of the house, as per case record No. 1645/2015-16.
JPI at Ulibur village of Balagoda GP under Joda block on 19 December 2022					
7	Name withheld		Roof had not been cast and the house remained incomplete, as per the JPI.		Photograph of the house, as per Case record No. 2495/2015-16 .
JPI at the Ulibur village of Balagoda GP, under the Joda block, on 19 December 2022					
8	Name withheld		Roof not cast and the house remained incomplete, as per the JPI		Photograph of the house, as per Case record No.1624/2015

Sl No.	Name of the beneficiary	Photograph as per JPI	Remark as per JPI	Photograph as per case record	Remark as per Case record
9	Name withheld		Side wall not plastered, door not fitted, flooring not done, as per the JPI		Photograph of the house, as per Case record No. 835/2015-16 .
JPI at the Ulibur village of Balagoda GP, under the Joda block, on 19 December 2022					
10	Name withheld		Plastering not done and roof not cast as per the JPI		Photograph of the house, as per case record No. 839/2015-16

Source: Joint Physical Verification of Housing Sector and records furnished by Block Development Officers

Appendix- VIII

(Refer paragraph 6.1.2 at page - 60)

Requirements at the CHC and PHC Levels, under the Project Implementation Agency, Rural Works Division, Karanjia, of the Mayurbhanj district, *vis-à-vis* the proposal as per the DPR and RDPR, by the OMBADC

Sl. No.	CHC/PHC	Proposal, as per DPR and RDPR	Requirement, as per the authorities of the health institution
1	Bisoi PHC	Rest shed building, drinking water facility, meeting hall, toilet complex, dead body room, water supply and compound wall.	Construction of toilet complex, construction of compound wall with main gate, water supply, construction of new building with toilet, construction of approach road and drainage, construction of a new sun stroke room and electrical wiring and accessories.
2	Bangriposi CHC	Rest Shed, compound wall, drinking water facility, approach road and drainage.	New OPD, IPD and Administrative building, Complete boundary wall with cow catcher, meeting hall, Dead body room, Drinking water facility, complete drainage system and parking shed. Installation of a transformer, four new Doctors Quarters, New dental and eye OPD, Rest Shed, Patient waiting hall, four E-type staff quarters, three F-type quarters, new construction of BPMU and colouring of hospital building, toilet complex for patients and staffs.
3	Raruan CHC	Compound Wall, Meeting Hall, drinking water facility, construction of approach road and drainage.	Construction of approach road and drainage, Meeting Hall, Asha Gruho ¹³⁶ , Rest Shed building, Parking Shed, Dead Body Room, Administrative building and Drinking water facility.
4	Ghagarbeda PHC	-	Compound wall, Extension of PHC building, construction of approach road and drainage, rest shed building.
5	Kusumbandh PHC	Administrative building, Parking Shed, compound wall with cow catcher and main gate, approach road and drainage.	New Hospital building and complete boundary (700-800 mtr.).
6	Jaldadiha PHC	Rest shed, Extension of PHC Building, Compound wall and approach road.	Compound Wall, Cow catcher, water supply, Renovation of PHC Building, like grading of roof with cement plastering, cement plaster and paint with weather coat.
7	Jashipur CHC	Rest shed building, Parking shed, Asha Gruho, Post-Mortem center with Mortuary, OPD	Boundary wall, distempering of the entire hospital building, liquid waste management, attendance rest room with latrine, drainage with cover, kitchen,

¹³⁶ Asha Gruho is intended to provide a space for the ASHAs to take rest and get the required information while coming to the institutions to accompany the pregnant woman for institutional delivery.

Sl. No.	CHC/PHC	Proposal, as per DPR and RDPR	Requirement, as per the authorities of the health institution
		Building, Meeting Hall, Drinking water facility, approach road and drainage.	canteen, Public Health work in the entire building, rainwater harvesting, sewage system, IPD, deep borewell and water tank, approach road and internal road connectivity.
8	Brahmanigaon PHC	Rest shed, Extension of PHC Building, Compound wall with main gate, approach road and drainage.	Boundary wall with gate and cow catcher, Extension of PHC Building, Approach Road and drainage, Rest Shed Building and water supply.
9	Talagaon PHC	Renovation of building, Meeting hall, Compound wall with cow catcher, Approach road and drainage.	Extension of PHC bBuilding, Boundary wall, Approach road & Drainage, drinking water facility, repairing of Khiching, Champrei Singada, Galusahi and Kumbhirda Sub-centres.
10	Tato CHC	Administrative building, parking shed, Drinking water facility, Construction of approach road and drainage.	Administrative Building, Parking shed, Asha Gruha, Drinking water with overhead tank, water supply to existing meeting hall, basin fitting, Approach road and drainage with cowcatcher.
11	Chitraposi PHC	Rest shed building and Drainage.	Complete Compound with main gate and cow catcher, extension of PHC Building (ILR room, dressing room, sterilisation room) and approach road.
12	Thakurmunda CHC	Administrative Building, Parking shed, Approach Road and drainage and drinking water facility.	Meeting Hall, Administrative building, Parking Shed, drinking water facility, Repair and renovation of separate toilet facility, Cow catcher and proper drainage.
13	Champajhar PHC	Extension of PHC Building, Administrative Building, Compound wall & Main gate with cow catcher and Parking shed.	Water supply and connection to the whole PHC building, approach road facility, extension of PHC building with separate toilet facility and repair of the existing PHC building.
14	Kesdiha PHC	Compound wall, Extension of PHC Building, Meeting hall, Construction of approach road and drainage.	Boundary wall with cowcatcher and drainage facility, extension and repairing of PHC building with separate toilet facility having proper water supply connected with boring and approach road, in the PHC.

Source: Records verification in EE Rural Works Division, Karanjia

Appendix- IX

(Refer paragraph 6.1.4 at page - 62)

New Sub-Centres, constructed from other sources of funding, or proposed for construction in the near future, taken up for repair and renovation, by the Zilla Swasthya Samiti (ZSS), Mayurbhanj, from OMBADC Funds

Sl. No.	Block	Sub-Centre	Present status/ date of handed over by other agencies from NHM PIP/ new construction from OMBADC fund	Date of completion of repair and renovation/ present status of works by ZSS out of OMBADSC fund	Funds approved/ expenditure incurred by the ZSS (₹ in lakh)
1	2	3	4	5	6
1	Raruan	Bhanjkia	10.09.2021	16.01.2022	05
2	Sukruli	Sukuruli	21.07.2021	16.01.2022	05
3	Karanjia	Kendumundi	10.01.2021	16.01.2022	05
4	Bijatala	Bijatala	15.12.2020	Work Order Issued on 17.11.21	05
5	Karanjia	Chitraposi	04.11.2020	16.01.2022	05
6	Joshiapur	Gudgudia	Tender Processed	16.01.2022	05
7	Tiring	Pandupani	Tender Processed	Work Order Issued on 17.11.21	05
8	Bijatala	Badbantha	A/A done	16.01.2022	05
9	Joshiapur	Podagarh	A/A done	16.01.2022	05
10	Karanjia	Baddeuli	A/A done	16.01.2022	05
11	Karanjia	Rodhang	A/A done	Work Order Issued on 17.11.21	05
12	Kusumi	Kusumi	A/A done	16.01.2022	05
13	Kusumi	Bhandan	Agreement close due to non-availability of govt. land.	16.01.2022	05
Total					65

Source: Record verification at CDM&PHO Mayurbhanj

Appendix –X
(Refer paragraph 8.2.1 (a) at page - 92)
Submission of DPRs, by OSEPA, to OMBADC

(₹ in crore)

Sl. No.	Activity	Executive Agency	Projects	Sanctioned amount	Amount of DPR submitted	Amount of DPR not submitted	Timelines for submission of DPR	Date of submission of DPRs	Delay in months
1	2	3	4	5	6	7	8	9	10
1	Civil infrastructure	Rural Development (RD) and Roads & Building (R&B)	Secondary Schools	163.45	177.98	00.00	3 rd week of April 2019	16 December 2019	08
2	Civil infrastructure	OSEPA	Elementary Schools	305.82	303.26	2.56	2 nd week of April 2019	20 December 2019	08
3	Furniture	OSEPA	Elementary & Secondary Schools furniture	123.47	116.99	6.48	4 th week of April 2019	20 December 2019	08
4	ICT Lab & Smart class	OSEPA	Elementary Schools ICT Lab Samrt Class	180.75	69.20	111.55	13 September 2021 (Date of finalization of tender)	17 December 2021 (for smart class) DPR for ICT Lab not submitted	03
5	ICT Lab & Smart class	OSEPA	Secondary Schools ICT Lab and Smart class	146.31	41.42	104.89	13 September 2021 (Date of finalization of tender)	17 December 2021 (for smart class) DPR for ICT Lab not submitted	03
6	Science Lab & Kit	OSEPA	Elementary Schools science lab and Kit	1.43	1.43	0.00	4 th week of April 2019	09 May 2022	37
7	Solar Station	Odisha Renewable Energy Development Authority (OREDA)	Kasturba Gandhi Balika Vidyalaya Hostels	3.92	0	0.00	Not fixed	DPR furnished by OAVS on 18 March 2019	-
Total				925.15	710.29	225.48			

Source: Verification of records of OSEPA

Appendix – XI

(Refer paragraph 8.2.1 (c) at page – 94)
Submission of DPRs, by OAVS, to OMBADC (as of November 2022)

(₹ in crore)

Sl. No.	Activity	Executive Agency	Projects	Approved amount	DPR submitted	Amount of DPR not submitted	Timeline for submission of DPR	Date of submission of DPR	Delay in Months
1	2	3	4	5	6	7	8	9	10
1	Civil infrastructure including Solar power station at KGBV and OAVs	RD & R&B	OAVS	542.08	472.32	172.91	4 th week of April 2019)	18 March 2019	No delay
2	Civil infrastructure	RD & R&B	OAVS	103.15			4 th week of April 2019		No delay
3	Furniture	OAVS	OAVS	3.48	10.41	17.62	4 th week of April 2019	03 May 2021	24
4	Furniture	DEO	OAVS (Boys Hostel and Girls Hostel)	24.55			1 st week of May 2019		
5	ICT Lab & Smart class	OSEPA	OAVS	29.60	31.50	0.00	08 February 2022 (Date of finalization of tender)	03 May 2021	No delay
6	Science Lab & Kit	OAVS	OAVS	1.60	3.67	0.00	4 th week of April 2019	03 May 2021	24
7	Laptop/Computer/ Photocopier/CC TV	OAVS	OAVS	5.81	5.34	0.47	2 nd week of May 2019	03 May 2021	24
8	Library	OAVS	OAVS	2.00	1.84	0.16	2 nd week of May 2019	03 May 2021	24
9	Others	OAVS	OAVS	5.38	2.31	3.07	2 nd week of May 2019	03 May 2021	24
10	Solar Plant	OREDA	OAVS and KGBV	9.40	13.55	0.00	Not fixed	18 March 2019	
	Total			727.05	540.94	194.23			

Source: Verification of records of OAVS

Appendix - XII

(Refer paragraph 8.2.2 at page – 94)

List of 31 Elementary and Secondary schools having no basic minimum infrastructure facilities, not included in the final list

Sl. No.	Name of School	Number of students	Position of infrastructure					
			Additional Classroom	Toilet	Drinking water	Boundary Wall	Library	Electricity
1.	Lagulababa High School, Bandhagaon	166	Yes	No	No	No	No	No
2.	Ichhapur Project Primary School	24	Yes	No	Defunct	No	No	No
3.	Mangalpur Primary School	190	Yes	Yes	Yes	Yes	No	No
4.	Badabaurshakana Primary School	40	Yes	Yes	Yes	No	No	No
5.	Kaliapani Government Primary School	61	3	Yes	No	Broken	No	No
6.	Baliapada Project Primary School	36	4	No	Yes	No	No	No
7.	Ostapal Primary School	71	2 broken 1 under repair	Yes	Yes	1	No	No
8.	Government Primary School, Gurujangopal	49	2	Broken	Yes	Yes	No	No
9.	Nagada Project Primary School	54	2	Yes	No	No	No	No
10.	Chingudipal Ashram School	NA	Yes	No	Yes	no	no	Yes
11.	Government New Project Primary School, Tikarpada	42	1	No	No	No	No	No
12.	PC Deo Upper Primary School	10	No	No	No	No	No	No
13.	Haripur Centre Primary School	73	Yes	yes	No	No	No	No
14.	Akhandalamani Upper Primary School, Haripur	50	No	No	No	No	No	No
15.	Umashankar High School, Banza	95	No	Yes	No	Partial	No	No
16.	Dineswar High school	147	No	Yes	No	Yes	No	No
17.	Mirigichara Primary School	NA	Yes	Yes	No	No	No	No
18.	Madhuban Primary School	65	no	Yes	No	Yes	No	No
19.	Siaria primary school	34	Yes	Yes	Yes	Yes	No	No
20.	Hatimunda Project Primary School	49	Yes	No	No	No	No	No
21.	Sorisiapada Primary School	99	2	No	No	No	No	No
22.	Dharua Sahi Project Primary School	82	2	No	No	Yes	No	No
23.	Satyanarayan Memorial High School, Sansailo	160	No	Yes	No	No	No	Yes
24.	Kaiyandhip Project Primary School	40	No	No	No	No	No	No
25.	Tamara Government Primary School	42	Yes	Yes	No	No	No	No
26.	Solamania Government Primary School	62	Yes	Yes	No	No	No	No
27.	Sapuapada Government Primary School	28	Yes	No	No	No	No	No
28.	Purunapani Government Primary School	80	No	No	No	No	No	No
29.	Madhuban Primary School	43	No	No	No	No	No	No
30.	Birigoda Project Primary School	88	No	No	No	No	No	No

Sl. No.	Name of School	Number of students	Position of infrastructure					
			Additional Classroom	Toilet	Drinking water	Boundary Wall	Library	Electricity
31.	Gauranga Mahaprabhu High School, Ampolaba	130	Yes	Yes	no	Yes	No	No

Source: Verification of records of OSEPA

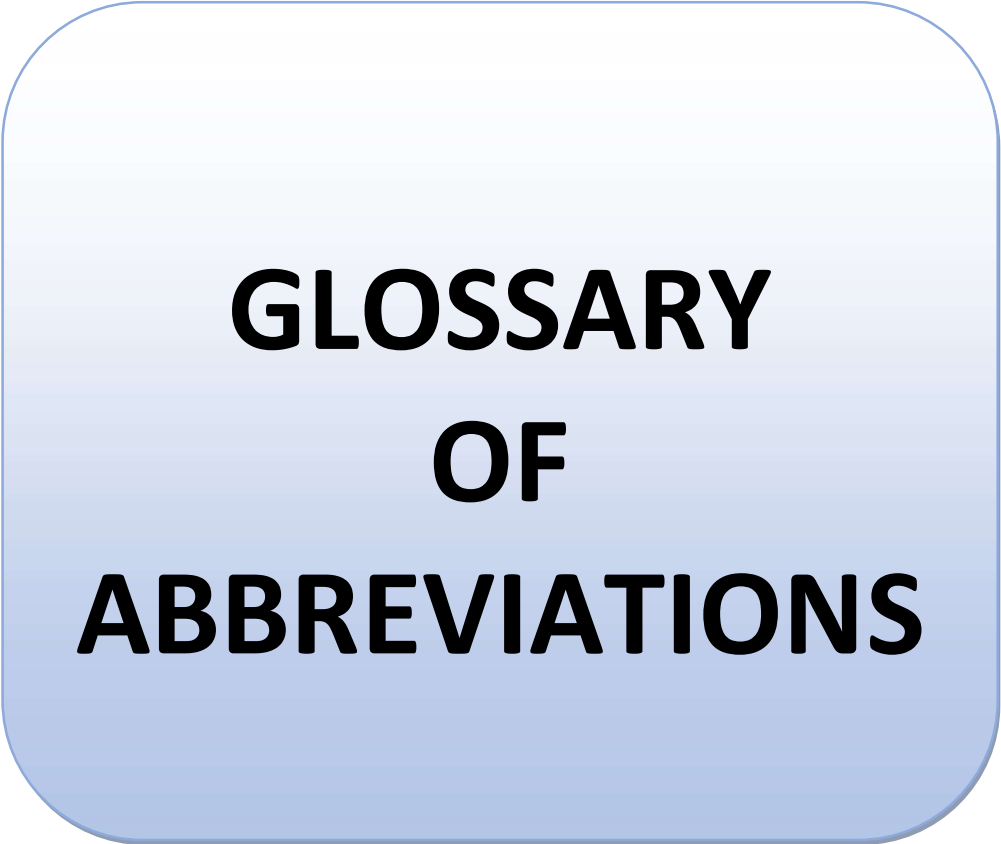
Appendix – XIII
(Refer paragraph 8.5.2 at page – 98)
Status of targets *vis-à-vis* achievements of High school transformation under 5T
Phase-I

District	Targeted No. of Schools	Amount Sanctioned (₹ in crore)	Amount Received (₹ in crore)	Expenditure, as of March 2022	Incomplete, as of March 2022	Expenditure, as of October 2022	Incomplete, as of October 2022
1	2	3	4	5	6	7	8
Angul	10	6.00	6.00	1.71	10	1.71	2
Deogarh	40	24.00	24.00	11.17	2	13.37	0
Dhenkanal	10	6.00	6.00	3.54	0	4.42	0
Jajpur	65	39.00	39.00	31.13	0	31.13	0
Jharsuguda	25	15.00	15.00	7.9	1	10.35	0
Mayurbhanj	60	36.00	36.00	15.11	0	29.12	0
Sundargarh	50	30.00	30.00	24.90	0	25.19	0
Total	260	156.00	156.00	95.46	13	115.30	2

Phase - II

District	Targeted No. of Schools	Amount Sanctioned (₹ in crore)	Amount Received (₹ in crore)	Expenditure, as of March 2022	Incomplete, as of March 2022	Expenditure, as of October 2022	Incomplete, as of October 2022
1	2	3	4	5	6	7	8
Angul	16	9.60	9.60	1.01	16	1.01	8
Deogarh	44	26.40	26.40	5.62	33	19.93	0
Dhenkanal	17	10.20	10.20	1.49	17	3.41	0
Jajpur	195	117.00	117.00	0.00	195	84.45	23
Jharsuguda	80	48.00	48.00	2.02	50	5.87	10
Mayurbhanj	339	203.40	203.40	7.06	87	123.61	0
Sundargarh	195	117.00	117.00	33.09	182	78.68	14
Total	886	531.60	531.60	50.29	580	316.97	55

Source: Verification of records at OSEPA



GLOSSARY OF ABBREVIATIONS

Glossary of Abbreviations

Sl. No.	Abbreviation	Description
1	A&FE	Agriculture and Farmers' Empowerment
2	AE	Assistant Engineer
3	ANM	Auxiliary Nurse and Midwife
4	ASHA	Accredited Social Health Activist
5	ATB	Auction Treasury Bills
6	AWC	Anganwadi Centre
7	AWW	Anganwadi Worker
8	BASUDHA	Baxi Jagabandhu Assured Drinking Water to Habitations
9	BDO	Blok Development Officer
10	BoD	Board of Directors
11	BPGY	Biju Pucca Ghar Yojana
12	CAMPA	Compensatory Afforestation Fund Management and Planning Authority
13	CCTV	Closed Circuit Television
14	CDM&PHO	Chief District Medical & Public Health Officer
15	CDMO	Chief District Medical Officers
16	CDPO	Child Development Project Officer
17	CE	Chief Engineer
18	CEC	Central Empowered Committee
19	CEO	Chief Executive Officer
20	CHC	Community Health Centre
21	CPHEO	Central Public Health & Environmental Engineering Organisation
22	CPSU	Central Public Sector Undertaking
23	CSSD	Central Sterile Supply Department
24	CUTM	Centurion University of Technology and Management
25	CVC	Central Vigilance Commission
26	CWRM	Clear Water Raising Main
27	DDO	Drawing and Disbursing Officer
28	DEO	District Education Officer
29	DHH	District Headquarter Hospital
30	DISCOM	Distribution Company
31	DLMC	District Level Monitoring Committee
32	DM	Director of Mines
33	DPC	District Project Co-ordinator
34	DPH	Directorate of Public Health
35	DPR	Detailed Project Report
36	DRDA	District Rural Development Agency
37	DSWO	District Social Welfare Officer

Sl. No.	Abbreviation	Description
38	EC	Environment Clearance
39	EC Act	Environmental Conservation Act
40	EdCIL	Educational Consultants India Limited
41	EE	Executive Engineers
42	EIA	Environment Impact Assessment
43	EIC	Engineer-in-Chief
44	EoT	Extension of Time
45	EPC	Engineering, Procurement and Construction
46	EPF	Employee Provident Fund
47	ESI	Employees State Insurance
48	ESR	Elevated Service Reservoir
49	F&ARD	Fisheries and Animal Resources Development
50	FC Act	Forest Conservation Act
51	FD	Finance Department
52	FE&CC	Forest, Environment and Climate Change
53	FHTC	Functional Household Tap Connection
54	FIR	First Information Report
55	FTD	Fever Treatment Depot
56	GeM Portal	Government e-Marketplace
57	GM	General Manager
58	GoI	Government of India
59	GoO	Government of Odisha
60	GP	Gram Panchayat
61	H&FW	Health & Family Welfare
62	H&UD	Housing and Urban Development
63	HDPE	High-Density Polyethylene
64	HT&H	Handloom, Textiles and Handicrafts
65	IAP	Integrated Action Plan
66	ICDS	Integrated Child Development Services
67	ICT	Information and Communication Technology
68	ICU	Intensive Care Unit
69	IEC	Information, Education and Communication
70	JJMP	Jal Jeevan Mission Programme
71	JPI	Joint Physical Inspection
72	KGBV	Kasturba Gandhi Balika Vidyalaya
73	LLIN	Long Lasting Insecticidal Nets
74	LMO	Liquid Medical Oxygen
75	LPG	Liquefied Petroleum Gas
76	MCH	Mother Child Hospital
77	MD	Managing Director
78	MLD	Million Liters per Day
79	MMDR	Mines and Minerals Development and Regulation
80	MoA	Memorandum of Association
81	MoU	Memorandum of Understanding

Sl. No.	Abbreviation	Description
82	MPR	Monthly Progress Report
83	MS	Mission Shakti
84	MS&ME	Micro, Small and Medium Enterprise
85	NCC	Nagarjuna Construction Corporation
86	NITI Aayog	National Institution for Transforming India
87	NGO	Non Government Organisation
88	NHM	National Health Mission
89	NPV	Net Present Value
90	NRDWP	National Rural Drinking Water Programme
91	NSC	National Saving Certificate
92	NUHM	National Urban Health Mission
93	NVBDC	National Vector Borne Disease Control
94	OMBADC	Odisha Mineral Bearing Areas Development Corporation
95	O&M	Operation & Maintenance
96	OA	Oversight Authority
97	OAV	Odisha Adarsha Vidyalaya
98	OAVS	Odisha Adarsha Vidyalaya Sangathan
99	OCAC	Odisha Computer Application Centre
100	OSFDC	Odisha Scheduled Caste/ Scheduled Tribe Financial Development Corporation
101	OPDR	Odisha Public Demand Recovery
102	OPWD	Odisha Public Works Department
103	OREDA	Odisha Renewable Energy Development Authority
104	OSH&FWS	Odisha State Health & Family Welfare Society
105	OSMCL	Odisha State Medical Corporation Limited
106	OT	Operation Theatre
107	P&C	Planning & Convergence
108	PCCF & HoFF	Principal Chief Conservator of Forest and Head of Forest Force
109	PD	Project Director
110	PGY (Mining)	Pucca Ghar Yojana (Mining)
111	PH	Public Health
112	PHC	Public Health Centre.
113	PHEO	Public Health Engineering Organisation
114	PIA	Project Implementing Agency
115	PMU	Project Monitoring Unit
116	PO	Purchase Order
117	PR&DW	Panchayati Raj and Drinking Water
118	PRA	Participatory Rural Appraisal
119	PRI	Panchayati Raj Institution
120	PWC	Price Waterhouse Coopers
121	PWS	Piped Water Supply
122	R&B	Roads & Buildings

Sl. No.	Abbreviation	Description
123	R&DM	Revenue and Disaster Management
124	RA	Running Account
125	RBI	Reserve Bank of India
126	RCC	Reinforced Cement Concrete
127	RD	Rural Development
128	RDPR	Revised Detailed Project Report
129	RFP	Request for Proposal
130	RGSK	Rajiv Gandhi Seva Kendra
131	RMNCHA	Reproductive, Maternal, Newborn, Child and Adolescent Health
132	RPWS	Rural Piped Water Supply
133	RWD	Rural Works Division
134	RWSS	Rural Water Supply and Sanitation
135	S&ME	School and Mass Education
136	S&YS	Sports & Youth Service
137	SC	Scheduled Caste
138	SC&ST	Scheduled Caste & Scheduled Tribes
139	SCs	Sub Centres
140	SD&TE	Skill Development and Technical Education
141	SDH	Sub-Divisional Hospital
142	SE	Superintending Engineer
143	SLMC	State Level Monitoring Committee
144	SMC	School Management Committee
145	SMC	Soil Moisture Conservation
146	SPD	Special Project Director
147	SPV	Special Purpose Vehicle
148	SRC	Sector Research Center
149	SS&EPD	Social Security and Empowerment of Persons with Disabilities
150	ST	Scheduled Tribe
151	TB	Tuberculosis
152	UC	Utilisation Certificate
153	UGME	Upgraded Middle English School
154	ULB	Urban Local Body
155	UP	Upper Primary
156	W&CD	Women and Child Development
157	WATCO	Water Commission
158	WR	Water Resources
159	WTP	Water Treatment Plant
160	ZSS	Zilla Swasthya Samiti

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