



**ANNUAL TECHNICAL INSPECTION REPORT
ON
PANCHAYATI RAJ INSTITUTIONS
AND
URBAN LOCAL BODIES
FOR THE YEAR ENDED MARCH 2015**



**In terms of the Technical Guidance and Support by the
Comptroller and Auditor General of India**



GOVERNMENT OF ODISHA

ANNUAL TECHNICAL INSPECTION REPORT
ON
PANCHAYATI RAJ INSTITUTIONS
AND
URBAN LOCAL BODIES

FOR THE YEAR ENDED MARCH 2015

**In terms of the Technical Guidance and Support by the
Comptroller and Auditor General of India**

GOVERNMENT OF ODISHA

TABLE OF CONTENTS

	Reference	
	Para	Page
Preface		v
Overview		vii-x
PART- A		
CHAPTER I		
AN OVERVIEW ON PANCHAYATI RAJ INSTITUTIONS		
Introduction	1.1	1
Organisational Setup of PRIs	1.2	1
Functioning of PRIs	1.3	2
Staffing pattern of PRIs	1.4	3
Functioning of various Committees	1.5	3
Fund Flow arrangement at PRI	1.6	4
Recommendations of the State Finance Commission	1.7	5
Recommendations of the Central Finance Commission	1.8	6
Primary Auditor	1.9.1	7
Audit by Comptroller and Auditor General of India	1.9.2	7
Audit Report of Primary Auditor	1.10.1	8
Annual Technical Inspection Report (ATIR) on PRIs	1.10.2	8
Response to audit observations	1.11	8
CHAPTER II		
PERFORMANCE AUDIT		
Implementation of National Rural Livelihoods Mission in Odisha	2.1	9-26
CHAPTER III		
COMPLIANCE AUDIT		
Implementation of Third State Finance Commission Awards	3.1	27-38
Creation of Rural Infrastructure under Gopabandhu Gramin Yojana	3.2	38-48
Payment on fake vouchers and loss of revenue	3.3	48-49
Infructuous expenditure	3.4	49-52
PART-B		
CHAPTER IV		
AN OVERVIEW ON URBAN LOCAL BODIES		
Introduction	4.1	53
Organisational setup of ULBs	4.2	53
Functioning of ULBs	4.3	54
Staffing pattern of ULBs	4.4	55

		Reference	
		Para	Page
Functioning of various Committees		4.5	55
Fund flow arrangement at ULBs		4.6	56
Recommendations of State Finance Commission		4.7	56
Recommendations of the Central Finance Commission		4.8	56
Primary Auditor		4.9.1	57
Audit by Comptroller and Auditor General of India		4.9.2	57
Audit Report of Primary Auditor		4.10.1	58
Annual Technical Inspection Report (ATIR) on ULBs		4.10.2	58
Response to audit observations		4.11	58
CHAPTER V			
PERFORMANCE AUDIT			
Delivery of Public Services by Cuttack Municipal Corporation		5.1	59-81
CHAPTER VI			
COMPLIANCE AUDIT			
Creation of Urban employment under Swarna Jayanti Sahari Rozgar Yojana		6.1	83-94
Unfruitful expenditure		6.2	94-95
Loss of revenue		6.3	95-97
Appendices			
1.1	Statement showing devolution of 29 functions of the State Government to PRIs	1.3	99
1.2	Statement showing functions of Standing Committee	1.5	100
2.1	Details of Sample Units checked	2.1.5	101-102
2.2	Details of receipt and utilization of funds by DMMUs and BMMUs	2.1.7.1	103
2.3	Details of posts sanctioned and man-in-position	2.1.8.8	104
3.1	Statement showing blocking of fund due to non-execution of project out of ZP share	3.1.2.9	105
3.2	Statement of inadmissible projects out of SFC fund	3.1.2.10	106-107
3.3	Statement showing blocking of fund due to non-execution of project out of PS share	3.1.2.12	108
3.4	Statement of execution of works by splitting of estimates to avoid tender	3.1.2.15	109-110
3.5	Statement of works showing less execution of cement concrete	3.1.2.17	111-112
3.6	Delay in submission of Annual Action Plan and eventual delay in approval of the projects	3.2.3	113

		Reference	
		Para	Page
3.7	Year wise position of funds received and utilisation during 2012-15	3.2.3	114
3.8	Pending utilisation certificate with PSs during 2012-15	3.2.3	115
3.9	Statement of Outstanding Advances	3.2.3	116
3.10	Statement showing purchase of sand, metal and chips	3.2.3	117
3.11	Status of projects in test checked PSs	3.2.4.1	118
3.12	Statement showing the vouchers having no/fake TIN/SRIN numbers	3.3	119
5.1	Statement showing delay in construction of CC Roads by contractors	5.1.16.1	120
5.2	Statement showing delay in finalisation of tenders for construction of roads	5.1.16.1	121
5.3	Details of Money Receipts and Revenue thereon not found deposited in the Cash Book of Cashier/CMC	5.1.18.1	122
5.4	Statement showing use of DG Set on the dates where there was no official booking thus indicating suspected misappropriation of revenue during 2010-15	5.1.18.1	123-125
5.5	Statement showing loss of revenue due to nonreservation of Shaheed Bhawan at commercial rate	5.1.18.2	126-131
6.1	Statement showing provision for SJSRY in AAP, BE and funds available	6.1.3	132
6.2	Statement showing component wise target & achievement of the State for 2011-14	6.1.4	133
6.3	Statement showing target and achievement in test checked ULBs	6.1.4	134
6.4	Statement showing details of subsidy under USEP	6.1.7 and 6.1.8	135
6.5	Statement showing different deficiencies under T&CS sub-component for the period 2011-14	6.1.9	136
6.6	Statement on revolving fund	6.1.10	137
6.7	Statement showing target and achievement of training and placement under STEP-UP	6.1.11	138
Glossary of abbreviations			139-140

Preface

This Report contains the results of audit of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) of the State. Audit of all the three tiers of PRIs and all the categories of the ULBs has been conducted under Section 20(1) of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 and the report is submitted to Government of Odisha under Technical Guidance and Support arrangement.

The Report contains significant results of the Performance Audit and compliance audit of the PRIs and ULBs in the State.

The instances mentioned in this Report are those, which came to notice in the course of test audit of accounts for the year 2014-15, as well as those, which came to notice of audit in earlier years, but could not be dealt with in previous reports have also been included, wherever necessary.

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

OVERVIEW

Overview

This Annual Technical Inspection Report (ATIR) of the Accountant General (General and Social Sector Audit), Odisha on the audit of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) throws light on the finances, accounting, public service delivery and audit arrangements of the PRIs and ULBs of the State and deficiencies noticed in these areas. It includes findings arising out of performance audits and compliance audits.

In PRI sector, significant audit observations made on the functioning of PRIs in implementing various schemes/programmes under Panchayati Raj Department, a Performance Audit on National Rural Livelihoods Mission (NRLM) and transactions relating to receipts and expenditure of the audited PRIs are included.

Performance Audit on Implementation of National Rural Livelihoods Mission

- Improper preparation of Annual Action Plans at district and Block level eventually led to slow progress in implementation of the Mission.
(Paragraph 2.1.6.2)
- Odisha Livelihoods Mission (OLM) could not utilise the funds available during 2013-15 for which Central share of ₹ 165.35 crore and State matching share of ₹ 7.93 crore was not released during 2013-15.
(Paragraph 2.1.7.1 & 2.1.7.2)
- Against the total physical target of 2,93,023 Self Help Groups (SHGs) for bank linkages, only 1,22,904 (42 *per cent*) could be achieved which limited the financial achievement to ₹ 1330 crore (49 *per cent* of the target).
(Paragraph 2.1.8.2)
- Even after receipt of seed capital of ₹ 70.50 lakh, 141 SHGs could not start livelihood activities due to lack of thrust on MIPs, lack of motivation and poor coordination with the Banks.
(Paragraph 2.1.8.4)
- There was delay in formation of GPLFs due to which no producer groups were formed and no progress reports were submitted to BMMUs. Similarly, the SHGs did not follow the principles of “Panchasutra” prescribed by the Government.
(Paragraph 2.1.8.5)
- Out of 193 recruited personnel at district and block level, 174 had not undergone any training on NRLM activities.
(Paragraph 2.1.8.9)
- Out of 41,547 trained rural youths, only 24,581 (59 *per cent*) youths could be employed/ self-employed through bank finance.
(Paragraph 2.1.8.10)

Significant observations of compliance audit

Implementation of Third State Finance Commission Award (PRI)

- Though the recommendation of TSFC was implemented from April 2011, Government circulated the comprehensive guidelines in August 2013 and July

2014. Due to delay in formulation of guidelines, no priority list was finalised by 45 test checked Gram Panchayats for the year 2014-15.

(Paragraph 3.1.2.2)

- Due to non-preparation of Action Plan and lack of awareness by the GPs for preparation of the same, the projects were not prioritised and new projects were added or replaced subsequently.

(Paragraph 3.1.2.3)

- Due to improper selection, 11 projects were not linked to any habitation and six projects were connected to single household.

(Paragraph 3.1.2.5)

- Deviating from the orders of the Government, 151 projects were executed without approval of the Zilla Parishad and 435 projects without approval of the Panchayat Samitis concerned.

(Paragraph 3.1.2.7)

- Twenty-eight projects were executed at a cost of ₹ 54.47 lakh which were not admissible under the scheme.

(Paragraph 3.1.2.10)

Creation of Rural Infrastructure under Gopabandhu Gramin Yojana

- District Plan was not prepared by any of the test checked DRDAs. Similarly, none of the test checked BDOs prepared the shelf of projects for obtaining approval of the District Level Committee for which prioritisation of the projects could not be done. There was no State Level Steering Committee for reviewing the scheme.

(Paragraph 3.2.2.1)

- Less importance had been given to electrification and water supply projects as during 2012-15, execution of electrification projects ranged between 12.36 and 0.4 *per cent*. Water supply projects remained negligible.

(Paragraph 3.2.2.4)

- Eight out of nine test checked BDOs did not observe the ceiling prescribed by Panchayati Raj Department for rational distribution of funds. As a result, 33 *per cent* revenue villages of test checked blocks with a population of 2.43 lakh could not get benefit of CC road projects during 2012-2015.

(Paragraph 3.2.2.5)

- In 200 out of 313 projects, drawing and design were not prepared and in other cases invariably the similar type of drawing was attached without considering the site requirement.

(Paragraph 3.2.4.2)

- The non-negotiable items specified under the scheme had been compromised by the six test checked blocks which affected the quality of execution.

(Paragraph 3.2.4.5)

- Payment on fake vouchers by Panchayat Samitis resulted in loss of Government revenue amounting ₹ 55.67 lakh towards VAT.

(Paragraph 3.3)

- Check Dams constructed at a cost of ₹ 14.05 crore in 24 Panchayat Samitis failed to serve the intended purpose due to non-adherence to Government instructions.

(Paragraph 3.4)

In ULB sector, there were significant audit observations on ‘Delivery of Public Services by Cuttack Municipal Corporation’ and ‘Creation of Urban Employment under Swarna Jayanti Shahari Rozgar Yojana (SJSRY)’ and also on irregularities in two other ULBs apart from financial accounting in all the ULBs.

Performance Audit of Delivery of Public Services by Cuttack Municipal Corporation (CMC)

- CMC had not carried out public service delivery in a planned and systematic manner as it had not prepared any long term or short term plan document and not formed ward committees for bottom level planning.

(Paragraph 5.1.6.1)

- In the core service sectors like water supply, sewerage, storm water drainage, solid waste management etc., CMC could not achieve the service level benchmarks set by Government of India.

(Paragraph 5.1.8.1 and 5.1.9.1)

- Only 43.19 *per cent* of the total households had access to piped water while the coverage of sewerage service among 1,17,020 households of the city was 11 *per cent* only.

(Paragraph 5.1.8)

- The untreated sewage of the city had been discharged into surrounding rivers through sewer lines, channel and open drains thereby polluting river water.

(Paragraph 5.1.9.1)

- The storm water drains of the city are open and not free-flowing due to frequent choking and encroachment. There are 82 cases of water logging during 2011-15 due to choking of drains in the rainy season.

(Paragraph 5.1.10.1)

- The CMC could not provide better health services to people due to inadequacy in infrastructure and health personnel.

(Paragraph 5.1.12.1)

- CMC failed to implement the provisions of Food Safety and Standards Act due to non-fixation of targets by the Designated Officer and 79 *per cent* of food business operators continued their business without license and registration.

(Paragraph 5.1.13)

- The issue of birth and death certificates was delayed by the City Health Officer upto 65 days due to inadequate manpower and infrastructure.

(Paragraph 5.1.14)

Significant observations of compliance audit

Creation of Urban Employment under Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

- Due to non-filling up of critical posts of Urban Poverty Alleviation Cell, non formation of Neighbourhood Committee and Community Development Society at ward and ULB level, the prescribed activities such as preparation of Community Development Plan, Poverty Sub Plan and Budget for the poor.

(Paragraph 6.1.2)

- In 11 out of 12 test checked ULBs, the success rate of the scheme ranged between zero (UWSP in Phulbani) and 172 *per cent* (STEP-UP in Bargarh).

(Paragraph 6.1.4)

- In none of the 12 ULBs during 2011-15, the beneficiaries were identified as per the scheme guidelines and were not fulfilling the prescribed parameters obtaining weightage scores for attributes.

(Paragraph 6.1.5)

- Out of 3,208 beneficiaries under USEP, 1.4 *per cent* ST and 1.8 *per cent* minority beneficiaries were benefitted while the coverage of differently-abled beneficiary was 0.03 *per cent*. Out of 14,280 beneficiaries under STEP UP, 4.6 *per cent* ST, 2.7 *per cent* minority and 0.5 *per cent* differently-abled were trained.

(Paragraph 6.1.6)

- In eight out of 12 test checked ULBs, banks did not sanction loan of ₹ 3.18 crore to 88 groups under UWSP involving 860 poor women out of 434 groups sponsored by the ULBs. The reason for not considering these applications was neither communicated by banks to ULB nor followed up by the ULBs.

(Paragraph 6.1.7)

- In 156 cases under USEP, the subsidy of ₹ 47.89 lakh was adjusted within one month to three years from the date of sanction of loan but the loan account was not closed after adjustment of subsidy. In five groups of three ULBs, disbursement, repayment of loan and adjustment of subsidy of ₹ 7.21 lakh under UWSP was made on the same day with closure of loan account.

(Paragraph 6.1.8)

- Construction of Picnic spot at Sargitalia in forest area, without forest clearance resulted in unfruitful expenditure of ₹ 50.09 lakh.

(Paragraph 6.2)

- Berhampur Municipal Corporation sustained a loss of revenue of ₹ 1.62 crore due to incorrect cancellation of tender on advertisement rights.

(Paragraph 6.3)

Part-A

**PANCHAYATI RAJ
INSTITUTIONS**

CHAPTER I

An overview on Panchayati Raj Institutions

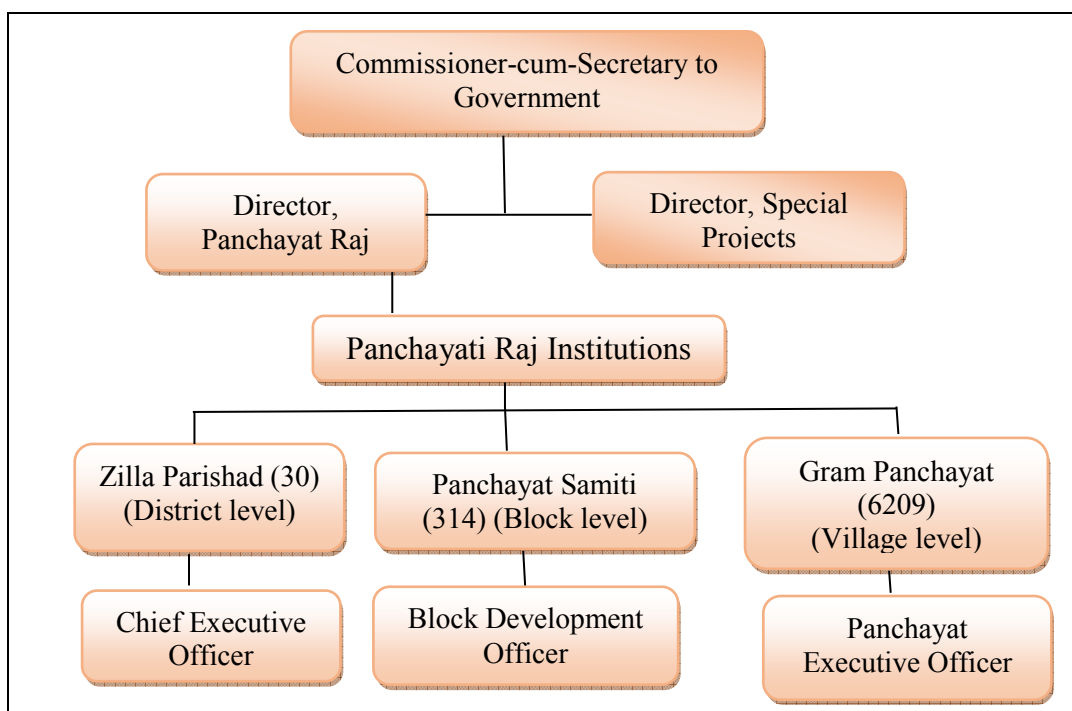
1.1 Introduction

Panchayati Raj Institutions (PRIs) came into existence in Odisha from 1948 with enactment of Orissa Gram Panchayat Act 1948. Subsequently, Orissa Panchayat Samiti Act and Zilla Parishad Act were enacted in 1959 and 1991 respectively, setting up three tier PRIs in the State. All these Acts were amended in 1993 and 1994¹ in conformity with the 73rd Constitutional Amendment Act 1992 empowering the PRIs to function as institutions of self-government to accelerate economic development and ensure social justice in rural areas.

1.2 Organisational Setup of PRIs

Panchayati Raj Institutions are classified into three tiers, viz. Zilla Parishads, Panchayat Samitis and Gram Panchayats. There are 30 Zilla Parishads, 314 Panchayat Samitis and 6209 Gram Panchayats in Odisha.

The organisational setup of the PRIs is indicated below.



All the three tiers of PRIs function under the administrative control of the Panchayati Raj (PR) Department headed by the Commissioner-Cum-Secretary who is assisted by the Director (PR) and the Director (Special Projects) at the State level.

¹ ZP Act 1991 of Orissa was amended in 1993. Orissa GP Act 1948 / 1964 and Orissa Panchayat Samiti Act 1959 was amended in 1994

Panchayati Raj was introduced in January 1961 in the State, under which three tiers of the system namely Zilla Parishads, Panchayat Samitis and Gram Panchayats have to work in close coordination with each other.

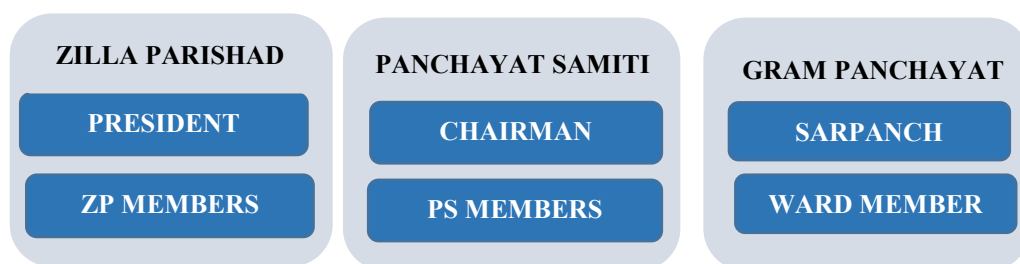
Each of the 30 districts of the State has a Zilla Parishad (ZP). The ZP is managed by an elected body headed by a President, who is elected amongst the elected representatives of the ZP. The District Collector acts as the ex-officio Chief Executive Officer (CEO) of the ZP, while the Project Director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

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

At the Gram Panchayat (GP) level, the elected members headed by a Sarpanch constitute the GP. General superintendence and overall control of the GP is exercised by the Panchayat Executive Officer who discharges his duties under the supervision of the BDO.

Election to the PRIs at all tiers was last conducted in February 2012.

The setup of Elected Body of the PRIs is as follows: -



1.3 Functioning of PRIs

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

Out of 29 subjects of 19 Departments, State Government has transferred (October 2005) 21 subjects of 11 Departments to the PRIs (*Appendix 1.1*). The Chief Secretary communicated (July 2003) to 11 Departments for implementation of the decentralisation of the governance in letter and spirit. The functionaries of the concerned 11 departments had been continuing under the administrative control of their respective line departments either without being deputed or transferred. The GoI advisory stipulated that a Panchayat sector

window was to be created in the budget of the line departments, from which the functions were transferred to PRIs for direct flow of matching funds to the appropriate level of PRIs. However, no action had been taken by the State Government in this regard. As a result, the State which ranked sixth in 2005-06 in terms of Devolution Index as per a survey conducted by the Union Ministry of Panchayati Raj through Indian Institute of Public Administration, slipped to thirteenth rank in 2013-14.

1.4 Staffing pattern of PRIs

There shall be an Executive Officer, for every Gram Panchayat who shall maintain the records of the proceedings of the meetings of GPs, remain a custodian of all such records and documents, cash and valuable securities of GP and exercise such other powers, discharge such other duties and perform such other functions as may be prescribed. The Village Level workers (VLW) and Village Agriculture Workers (VAW) working in a district act as Executive Officers. As against sanctioned strength of 6234 VLWs, men-in-position was 5484 with vacancy of 750, thereby hampering the functioning of the GPs.

For every block, there shall be a Block Development Officer (BDO) to be appointed by the Government and an Additional Block Development Officer (ABDO) may be appointed by the Government under the administrative control of the BDO. The Samiti with the approval of the Government, shall determine the number and grade of the employees to be appointed to the services of the Samiti. Against sanctioned strength of 314 each for BDO and ABDO, men-in-position were 291 and 209 with vacancy of 23 and 105 respectively.

The Collector of the district shall be the Chief Executive Officer of the Parishad who shall exercise such powers and perform such functions as may be prescribed. The Project Directors, District Rural Development Agency shall be the *ex-officio* Secretary of the Parishad.

Similarly, under technical category at district and block level, as against sanctioned strength of 1686 posts, men-in-position were 1036 with 39 *per cent* vacancy which resulted in low spending of the grants received for various socio-economic development programmes.

1.5 Functioning of various Committees

To execute the functions of PRIs, Standing Committees have been constituted (seven each for ZPs and PSs and five for GPs) with elected representative as the Chairperson and Secretary as the Chief Executive Officer. The role and responsibilities of Standing Committees are given at **Appendix 1.2**.

Overall monitoring and review of the development programmes at the State and District levels were conducted by the State Level Vigilance and Monitoring Committee (SLVMC) and District Vigilance and Monitoring Committees (DVMC) respectively. The SLVMC of Odisha has been constituted under the Chairmanship of the Minister, Rural Development, Government of Odisha with three Co-chairmen and 29 members. In case of DVMC, Member of Parliament (Lok Sabha) is the Chairman, with District Collector as Secretary and all district

level officers as members. Both the Committees are required to meet at least once in every quarter, but not a single meeting of SLVMC was held, while only 24 DVMC meetings were held in 21 districts against 120 during 2014-15. In nine districts² no meetings were held during 2014-15.

1.6 Fund Flow arrangement at PRIs

The main sources of funds of PRIs in the State were funds received from Government of India (GoI) under various Centrally Sponsored Schemes (CSS), viz. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Backward Region Grant Fund (BRGF), Indira Awaas Yojana (IAY), Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) etc. and grants received from State Government as per the recommendations of State Finance Commission and the Central Finance Commission. Funds are also received under State sponsored schemes like *Mo Kudia* (renamed as Biju Pucca Ghara), Cement Concrete (CC) Road, Biju KBK Yojana and Gopabandhu Gramin Yojana (GGY).

The position of funds received by the PRIs under various schemes of GoI and GoO and also grants-in-aid from GoO and the expenditure incurred thereof is given in Table 1.1 below.

Table 1.1: Total funds received by PRIs during 2010-15 (₹ in crore)

Scheme	2010-11	2011-12	2012-13	2013-14	2014-15
IAY (CSS-75:25)	907.07	833.17	1110.60	1257.44	1998.71
Mo Kudia (SS-100 per cent)	122.93	96.04	133.25	273.36	193.54
GGY (SS-100 per cent)	251.42	251.78	199.10	261.80	248.89
BRGF (100 per cent SCA)	423.24	327.22	396.04	428.56	326.23
SGSY/NRLM (CSS-75:25)	180.09	192.88	124.71	104.56	113.27
MGNREGS (CSS- 90:10)	1762.39	1371.18	1321.64	1322.78	1077.38
Twelfth FC	156.58	21.23	6.72	0	0
Thirteenth FC	257.06	570.92	713.10	731.93	804.40
RGPSA	0	0	0	12.56	48.25
Grant-in-aid (SFC, Cluster House, CC Road)	298.22	589.69	729.03	1148.28	860.88
Total	4359	4254.11	4734.19	5541.27	5671.55

(Source: Annual Report and MIS Reports furnished by PR Department)

*Total fund available includes opening balance and interest
(CSS: Central Sponsored Scheme, SS: State Scheme, SCA: Special Central Assistance, FC: Finance Commission, SFC: State Finance Commission, CC: Cement Concrete)*

² Angul, Balasore, Bhadrak, Cuttack, Dhenkanal, Kalahandi, Kendrapara, Rayagada and Sonepur

Table 1.2: Budget provision for plan and non-plan sectors for PRIs during last five years

(₹ in crore)

Year	Plan		Non Plan	
	Budget Provision	Release (per cent)	Budget Provision	Release (per cent)
2010-11	970.90	966.19(99.5)	671.57	668.53(99.5)
2011-12	1088.45	991.40(91)	1340.82	1222.45(91)
2012-13	1501.04	1320.63(88)	1438.21	1216.77(85)
2013-14	2245.45	2082.51(93)	1525.67	1296.12(85)
2014-15	4175.75	3441.58(82)	1703.30	1401.37(82)

(Source: MIS Reports furnished by PR Department)

Total expenditure during last five years is given in the table below.

Table 1.3: Total expenditure by PRIs during 2010-15

(₹ in crore)

Scheme	2010-11	2011-12	2012-13	2013-14	2014-15
IAY (CSS-75:25)	713.90	634.67	941.26	946.94	825.96
Mo Kudia (SS-100 per cent)	86.92	63.06	79.83	147.84	193.54
GGY (SS-100 per cent)	165.12	207.88	163.46	238.46	189.26
BRGF (100 per cent SCA)	327.35	224.98	273.09	271.13	266.93
SGSY/NRLM (CSS-75:25)	172.83	171.35	74.49	50.97	67.82
MGNREGS (CSS- 90:10)	1530.35	1032.56	1177.47	1289.13	1073.07
Twelfth FC	135.57	14.51	2.17	0	0
Thirteenth FC	59.97	288.72	440.32	500.49	536.49
RGPSA	0	0	0	0.85	14.42
Grant-in-aid (SFC, Cluster House, CC Road)	111.85	279.23	472.19	1011.20	697.21
Total	3303.86	2916.96	3624.28	4457.01	3864.7

(Source: MIS Reports furnished by PR Department)

1.7 Recommendations of the State Finance Commissions (SFC)

The Second SFC recommended ₹ 2143.22 crore to the PRIs towards devolution, compensation and assignment, grant-in-aid and salary for the period 2005-10, against which ₹ 984.36 crore (45 per cent) was only released by the State Government from its own Tax Revenue. Similarly, Third SFC recommended ₹ 6787.18 crore for PRIs for the period 2010-15, against which ₹ 3120.14 crore (56 per cent) was released by the State Government.

The Third SFC has reiterated many of the recommendations made by the second SFC as those were either not implemented or partially implemented. Besides, it also has made other recommendations, most of which have not been implemented till date of audit.

The Fourth State Finance Commission through its recommendation endeavored to assist and advise the State Government to develop the lowest tiers of democratic institution as responsible local government. Some of the recommendations relate to the measures to strengthen resource base of the Local Bodies to help them evolve into responsible units of Local Self Governance. Recommendations have been grouped into four broad heads:

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

Total resource transfer (from State resources) to PRIs recommended by the Fourth SFC for the period 2015-20 is as under:

Table 1.4: Resource transfer recommended by the SFC

(₹ in crore)

Distribution mechanism	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20
Devolution	493.77	493.77	493.77	493.77	493.77	2468.85
Assignment of Taxes	438.31	539.60	620.16	672.84	730.79	3001.70
Grant-in-aid	290.05	368.43	455.12	539.20	581.72	2234.52
Total	1222.13	1401.8	1569.05	1705.81	1806.28	7705.07

(Source: Report of the 4th SFC)

1.8 Recommendations of the Finance Commission (FC)

The devolution of funds to PRIs as per recommendations of the Thirteenth Finance Commission and allocations for PRIs for the award period is given in Table below:

Table 1.5: Recommendations of Thirteenth FC and allocation for PRIs

(₹ in crore)

Sl. No.	Subject	2010-11	2011-12	2012-13	2013-14	2014-15	Total
1	General Area Basic Grant	241.29	279.78	326.99	387.43	458.71	1694.20
2	General Performance Grant	0.00	95.66	224.41	264.70	312.23	897.00
3	Special Area Grant	19.39	--	--	--	--	19.39
Total		260.68	375.44	551.40	652.13	770.94	2610.59

(Source: Panchayati Raj Department letter No. 22895 dated 6 August 2010)

However, out of ₹ 1694.20 crore, ₹ 1299.90 crore³ was released to the PRIs towards General Area Basic Grant, Special Area Basic Grant and share from forfeited Performance Grant for the period from 2012-13 to 2014-15.

The Thirteenth Finance Commission recommended allotment of Performance Grant of ₹ 897.00 crore for the period 2011-15. The State was eligible to draw its allocations, if it complied with nine conditions prescribed at paragraph 10.161 of Thirteenth Finance Commission Report.

Out of nine conditions, State Government has complied with four conditions and five conditions have not been complied. Hence, the State Government could not

³ General Area Basic Grant: ₹ 1172.90 crore + Special Area Basic Grant: ₹ 58.17 crore + Share from forfeited Performance grant: ₹ 68.83 crore

avail of the Performance Grant of ₹ 897 crore as of March 2015. However, ₹ 68.83 crore has been received towards forfeited Performance Grant as of March 2015.

Table 1.6: Recommendation of Fourteenth Finance Commission

(₹ in crore)

Sl. No.	Subject	2015-16	2016-17	2017-18	2018-19	2019-20	Total
1	General Area Basic Grant	955.52	1323.09	1528.71	1768.44	2389.54	7965.28
2	General Performance Grant	0	173.55	196.40	223.04	292.05	885.03

(Source: Fourteenth Finance Commission Report)

1.9 Audit mandate

1.9.1 Primary Auditor

As per Rule 149 of the Regulations on Audit and Accounts, the Director, Local Fund Audit (DLFA) is the primary Auditor of PRIs in the State, which is a directorate under the Finance Department of the State. The DLFA conducts audit of PRIs of all 30 districts of the State through 26 District Audit Offices. The position of audit of PRIs by DLFA as on March 2015 is given in Table below.

Table 1.7: The position of audit of PRIs by DLFA as on March 2015

Year	Total number of PRIs planned for audit			Total number of PRIs audited			Shortfall (Figures given in the bracket indicate <i>per cent</i>)		
	GP	PS	ZP	GP	PS	ZP	GP	PS	ZP
2012-13	4919	314	30	3750	308	24	1169 (24)	6 (2)	6 (20)
2013-14	6234	314	30	4384	294	30	1850 (30)	20 (6)	Nil
2014-15	6234	314	30	4647	314	29	1587 (25)	0	1

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

Government/ DLFA engaged (September 2010) the Institute of Public Auditors of India (IPAI) for audit of the accounts of GPs in order to reduce the arrears in audit of GPs. The IPAI audited accounts of 2207 GPs during 2014-15 on behalf of DLFA.

1.9.2 Audit by Comptroller and Auditor General of India

On the recommendation of the Thirteenth Finance Commission, the State Government entrusted (April 2011) the Comptroller and Auditor General of India (CAG) with audit of all the three tiers of Panchayati Raj Institutions (PRIs) of the State under Section 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Besides, the CAG was also requested to provide Technical Guidance and Support (TGS) to the State Audit Agency viz., Local Fund Audit (LFA) for audit of Local Bodies. The Government notified (July 2011) the parameters of the TGS agreed to, in the Official Gazette. Under TGS arrangement, 1136 LFA staff were imparted training during 2014-15 covering topics on Performance Audit guidelines, audit methodology, issue analysis, preparation of study design matrix, writing of model Preliminary Observation Memo and audit of schemes implemented in PRIs.

1.10 Reporting arrangement

1.10.1 Audit Report of Primary Auditor

Director Local Fund Audit is the Primary Auditor and authorised to conduct annual audit of financial accounts of the PRIs. As per recommendations of the Thirteenth Finance Commission and provisions of OLFA (Amendment) Rules, 2015, the DLFA shall prepare and submit to the State Government not later than 30th September of each year a consolidated report for the previous year, to be laid before the State Legislature. Annual Report for 2013-14 has been laid in the Odisha Legislative Assembly on 27 August 2015.

1.10.2 Annual Technical Inspection Report (ATIR) on PRIs

Annual Technical Inspection Report for the year ended March 2014 has been issued to the Government on 31 March 2015. The amendment to the OLFA Rules, enabling the ATIR to be laid in the State Legislature has been published on 31 March 2015.

1.11 Response to audit observations

As of 31 March 2015, 14592 paragraphs relating to 3283 Inspection Reports (IRs) issued by the Office of the Accountant General (G&SSA), Odisha to different PRIs remained unsettled for want of required compliances. However, 1774 paragraphs and 159 IRs were settled through Triangular Committee Meetings during 2014-15. The Office of the Accountant General (G&SSA), Odisha issued eight Annual Technical Inspection Reports (ATIRs) on PRIs relating to the years 2005-06 to 2012-14, wherein major audit findings on the transactions of PRIs of the State were reported. Even after convening meetings with the Commissioner-cum-Secretary of the Department and making number of correspondences with Chief Secretary to Government of Odisha, no information on remedial action taken by the Government to any of the paragraphs of these eight ATIRs was received as of October 2015.

CHAPTER II

PERFORMANCE AUDIT

CHAPTER II PERFORMANCE AUDIT

PANCHAYATI RAJ DEPARTMENT

2.1 Performance Audit on Implementation of National Rural Livelihoods Mission

Executive Summary

The Government of Odisha implemented National Rural Livelihoods Mission (NRLM) in the State on 1 April 2012. The Mission aims at reducing poverty to access gainful self-employment and skilled employment opportunities by building strong grassroots institutions of the poor in a phased manner. The Mission period is from 2012-13 to 2016-17. The scheme is being implemented in the State through Odisha Livelihoods Mission (OLM) designated as State Mission Management Unit (SMMU) with assistance of District Mission Management Unit (DMMU) at districts and Block Mission Management unit (BMMU) at Blocks. At Gram Panchayat level, Gram Panchayat Level Federation (GPLF) is the main agency to implement the scheme bringing in all the left out poor into the Self Help Groups (SHGs) and providing them financial support services for enhancing livelihoods.

The Performance Audit on National Rural Livelihoods Mission was conducted in 13 BMMUs of eight DMMUs for the period 2012-15 and the following deficiencies were noticed.

- *Annual Action Plans were not prepared as per scheme guidelines at district and Block level which resulted in delayed formation of GPLFs which eventually led to slow progress in implementation of the Mission.*
- *OLM could not spend the funds available during 2012-15 due to which GoI reduced the Central share by ₹ 165.35 crore during 2013-15 and the State Government also did not release a portion of its matching share i.e. ₹ 7.93 crore.*
- *Against the total physical target of 2,93,023 SHGs for bank linkages, only 1,22,904 (42 per cent) could be achieved. This limited the financial achievement to ₹ 1330 crore (49 per cent of the target).*
- *Even after receipt of seed capital of ₹ 70.50 lakh, 141 SHGs could not start livelihood activities due to lack of thrust on Micro Investment Plans, lack of motivation and poor coordination with the Banks.*
- *The process of recruitment for different posts took almost 19 months which eventually delayed implementation of the scheme.*
- *There was delay in formation of GPLFs due to which no producer groups were formed and no progress reports were submitted to BMMUs. Similarly, the SHGs did not follow the principles of “Panchasutra” prescribed by the Government.*
- *Out of 193 recruited personnel at district and block level, 174 had not undergone any training on NRLM activities. Out of 41,547 trained rural youths by RSETI, only 24,581 (59 per cent) youth could be employed/self-employed through bank finance.*
- *Lack of monitoring and supervision by the functionaries at all levels led to less achievement in formation of SHGs, bank linkages, creation of GPLFs and non-taking up of livelihoods activities by the SHG members.*

2.1.1 Introduction

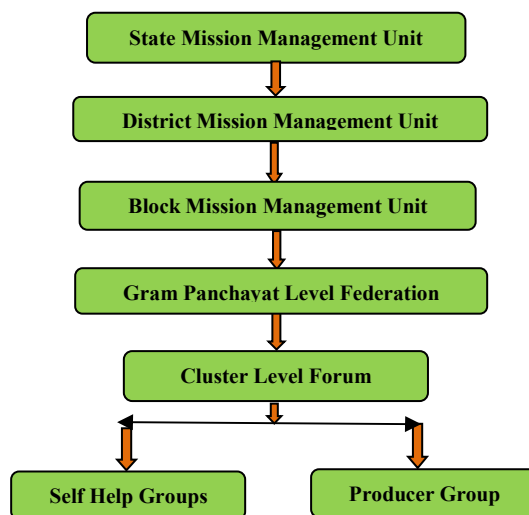
The National Rural Livelihoods Mission (NRLM) was launched in April 2011 in the State against the backdrop of forming more SHGs and providing more financial support to existing SHGs. The project's aim was to enhance the socio-economic status of the rural poor of all the Blocks of 30 districts of Odisha through development of self-sustained and community managed institutions. NRLM was restructured from the scheme of Swarnajayanti Gram Swarozgar Yojana (SGSY). The scheme works on three pillars-

- Enhancing and expanding existing livelihoods options of the poor,
- Building skills for the job market outside and
- Nurturing the self-employed and entrepreneurs (for micro-enterprises)

NRLM is a Centrally Sponsored Scheme financing of which was to be shared between the Centre and the States in the ratio of 75:25 respectively. The scheme implementation is in a mission mode and is based on a demand driven strategy. A phased implementation approach is adopted in NRLM which was targeted to reach all districts and Blocks by the end of Twelfth Five-year Plan.

2.1.2 Organisational set-up

Odisha Livelihoods Mission (OLM) was created in February 2014 as a registered society under the Panchayati Raj Department, Government of Odisha. Prior to formation of OLM, the scheme was being implemented through Odisha Poverty Reduction Mission (OPRM). OLM is designated as State Mission Management Unit (SMMU) and is headed by the Director-cum-Chief Executive Officer.



Similarly, District Mission Management Unit (DMMU) headed by the Project Director, DRDA functions as District Mission Coordinator and is assisted by District Project Manager (DPM) for implementing the scheme at district level. At Block level, a Block Mission Management Unit (BMMU) headed by the BDO and assisted by Block Project Manager (BPM) are responsible for implementation. At Gram Panchayat (GP) level, all the SHGs irrespective of self-help promoting institutions from every revenue village are federated into a Gram Panchayat Level Federation (GPLF). The responsibilities of the GPLF

inter alia were to identify and mobilise all eligible members, preferably, women into SHGs through motivation and support, disseminate information on various topics to SHGs and prepare capacity building plans. The GPLF helps the community to put forth their demands in the Palli Sabhas and Gram Sabhas for the development of their respective villages.

2.1.3 Audit Objectives

The objectives of the Performance Audit were to ascertain whether:

- Adequate planning in compliance to existing Guidelines and Regulations existed. If so, whether they were adequate, efficient and effective;
- Funds were managed economically, efficiently and effectively for the intended purpose;
- The State had implemented the scheme in the most effective manner;
- Capacity building and training was adequate and effective; and
- Monitoring mechanism was in place and functioning effectively.

2.1.4 Audit Criteria

The criteria for the Performance Audit were derived from the following:-

- Framework for implementation of NRLM
- Project implementation Plan of NRLM
- Gram Panchayat Level Federation Operational Manual
- Community Investment Fund Policy
- Rural Self Employment Institute guidelines
- RBI guidelines on SHG bank linkage
- Human Resource Policy of OLM
- Community Operational Manual
- General Financial Rules and Odisha General Financial Rules and
- Circulars and instructions issued by GOI and PR Department

2.1.5 Scope and Methodology

The Performance Audit of NRLM was conducted between June and November 2015 covering the period from 2012-15. An Entry Conference with the Joint Secretary, Panchayati Raj Department was held on 14 August 2015 wherein the audit objectives, scope, methodology and criteria were discussed. Audit test checked records of SMMU at State Level and DMMUs of eight selected districts¹, 13 BMMUs², 24 sampled GPLFs and 130 SHGs (*Appendix 2.1*)

¹ Ganjam, Kandhamal, Koraput, Mayurbhanj, Nuapada, Rayagada, Sambalpur and Sundargarh

thereunder. BMMUs (Blocks) were selected by taking 25 *per cent* out of 50 intensive Blocks on the basis of 'Stratified Random Sampling without Replacement method' taking expenditure as criteria. Besides, joint physical inspection of 130 SHGs was conducted and 260 beneficiaries were interviewed. The findings of Audit were discussed in an Exit Conference held on 2 December 2015 with the representatives of PR Department.

The findings of Audit are discussed in the succeeding paragraphs.

Audit Findings

2.1.6 Planning

2.1.6.1 Non-approval of State Perspective and Implementation Plan

Chapter IX of the framework for implementation of NRLM and Para 15.4 of the Project Implementation Plan (PIP) of NRLM stipulate each State to prepare a five years State Perspective and Implementation Plan (SPIP) and submit it to National Mission Management Unit (NMMU). The key elements of SPIP are to make (i) a detailed situation analysis of poverty scenario, context of social exclusion and financial inclusion, (ii) detailed strategies for such inclusion and mobilisation (iii) details of support structures created at all levels etc. A State's implementation readiness is adjudged from the SPIP. The Annual Action Plan (AAP) is dovetailed from the SPIP.

Scrutiny of proceedings of Empowered Committee meeting (February 2014) revealed that the draft SPIP was not prepared for submission to NMMU for approval. In the absence of SPIP, the AAPs though prepared, were not dovetailed from SPIP.

The Mission Director-cum-CEO, OLM stated (June 2015) that the SPIP was not submitted to NMMU till date as it was not completed due to some unforeseen reasons.

The reply is not acceptable as SPIP carries much importance and State's implementation readiness is adjudged from SPIP. The Annual Action Plan is dovetailed from the SPIP.

2.1.6.2 Improper preparation of Annual Action Plans

Para 6.20 of Programme Implementation Plan (PIP) of NRLM stipulates that based on the broad indication of resource availability to the State in a particular year, SMMU is to undertake a prioritisation exercise and prepare AAP dovetailing from SPIP. The action plan preparation will start at the sub district level (BMMU) and be consolidated at the district level and subsequently at the State level and sent to the NMMU for approval. The AAP should take into consideration any proposed activities and requirements of the GP level federation and producer organisations.

² Balliguda, Chakapada, Chandrapur, Ganjam, Jamankira, Jashipur, Kuchinda, Kusumi, Phulbani, Sinapali, Tangarpalli, Morada and Kotpad

However, Audit noticed that SMMU had prepared AAP for 2012-13 based on district-wise action plan. However, for 2013-14 and 2014-15, AAPs were prepared without receipt of the detailed action plan from the districts. Eight sampled DMMUs and 13 BMMUs did not prepare action plans from 2013-14 onwards. SMMU also did not insist for the same for preparation of AAPs at district and sub-district level.

In absence of proper AAPs, no target could be fixed at the Block and District level while the SMMU and DMMUs used to set both physical and financial target for the District and Blocks respectively. Thus, grassroot level participation could not be ensured in planning.

The Mission Director-cum-CEO, OLM replied (June 2015) that the AAPs were prepared by the SMMU after consultation with the district and block level staff. The reply is not acceptable as there was no recorded evidence in support of the said consultation.

2.1.6.3 Undue extension of Phasing Plan for implementation of the scheme

As per Chapter IX of Framework for Implementation of NRLM, the scheme is to be implemented in a phased manner for covering all districts over a period of five to seven years. Accordingly, SMMU prepared (2012-13) Phasing Plan in intensive mode consisting of four phases starting from 2012-13 to 2016-17 covering all the 314 blocks in 30 districts of the State.

Scrutiny of the AAPs of SMMU for 2013-14 and 2014-15 and Activity Report (2012-13) revealed that it could cover only 50 blocks and extended the coverage of all the blocks by 2017-18. Extension of phasing plan was due to non-achievement of following expected outcomes approved by NMMU.

- Upto the end of 2014-15, only 50 Blocks (35 *per cent*) were covered (30 in 2013-14 and 20 in 2014-15) out of 142 Blocks targeted.
- Against target of 58,485 old SHGs to be revived / strengthened and 1176 GPLFs to be formed, only 26,276 old SHGs (45 *per cent*) were revived and 476 GPLFs (40 *per cent*) could be formed.

The Mission Director-cum-CEO, OLM attributed (June 2015) the reasons for the delay to instruction issued by NMMU to “*go slow*” with regard to geographical coverage which delayed recruitment of staff at the district and Block level.

The reply is not acceptable as OPRM as well as OLM were already involved in implementation of “Targeted Rural Initiatives for Poverty Termination and Infrastructures” (TRIPTI) mission in 10 districts of the State from 2009 on similar modalities and objectives which could have been used as base for achieving the desired targets.

2.1.7 Financial Management

2.1.7.1 Receipt and utilisation of grants

NRLM funds are shared between the Centre and the States in the ratio of 75:25.

The receipt and utilisation of funds under NRLM during 2011-12 to 2014-15 is as follows:

Table 2.1: Receipt and utilisation of grants

(₹ in crore)

Year	Opening balance	Central Share	State Share	Interest	Total receipt	Total available fund	Expenditure	Closing balance	Percentage of utilisation
2011-12	0.00	1.50	0.50	0	2.00	2.00	0.16	1.84	8
2012-13	1.84	128.79	35.00	1.88	165.67	167.51	71.31	96.20	43
2013-14	96.20	28.85	9.62	2.47	40.94	137.14	50.84	86.30	37
2014-15	86.30	0.00	0.00	2.64	36.73*	123.03	82.40	40.63	67
Total		159.14	45.12	6.99	245.34	429.68	204.71	40.63	48

(Source: Data collected from OLM)

* Total available fund included unutilised SGSY funds of ₹ 34.09 crore

As may be seen from the table, utilisation of funds by the State ranged between 8 and 67 per cent during 2011-15 mainly due to:

- Delay in formation of GPLF and delay in recruitment of dedicated staff by the SMMU,
- Delay in release of funds on Start-up and Institutional Building (IB) as well as Community Investment Funds (CIF) to GPLFs,
- During 2012-13, against Central release of ₹ 128.79 crore, State Government released ₹ 35 crore instead of ₹ 42.93 crore thus resulting in short release of State share of ₹ 7.93 crore even after appraisal (August 2014) by the OLM.
- The utilisation of funds in sampled DMMUs was 88 to 99 per cent which was appreciable as shown in *Appendix 2.2*.
- Similarly, in sample BMMUs the utilisation of funds ranged between 42 and 99 per cent. There was low spending of 42 per cent by BMMU, Jashipur due to non-disbursement of seed capital and revolving fund to eligible SHGs.

Besides, SMMU also received ₹ 4.31 crore (₹ 2.97 crore in 2013-14 and ₹ 1.34 crore in 2014-15) under Rural Self Employment Training Institute (RSETI).

The Mission Director-cum-CEO, OLM accepted (June 2015) the Audit observation.

2.1.7.2 Loss of central Share

As per NRLM guidelines, for release of Central share, the opening balance of the SMMU should not exceed 10 per cent of the allocation of the previous year and in case, the opening balance exceeds this limit, the Central share will be proportionally reduced.

Audit noticed that the State Government failed to spend the funds available during 2013-15 due to which the closing balance of each year exceeded the prescribed limit of 10 per cent and the GoI reduced the Central share by ₹ 165.35 crore. The loss of Central share was due to non-achievement of targeted coverage in intensive mode.

The Mission Director-cum-CEO, OLM assured (June 2015) to take suitable steps for implementation of the scheme and utilisation of funds as per AAP.

2.1.7.3 Non submission of Utilisation Certificates (UC)

As per NRLM Programme Implementation Plan, for all subsequent fund releases, the State will be required to submit UCs as per established GoI procedures. Further, as per provisions contained in Rule 173 of OGFR Volume-I, the grants received in a financial year are to be utilised in the same financial year and the UCs thereof are to be submitted latest by 1st June of succeeding financial year.

However, Audit noticed that:

- During 2011-15, against the total grant of ₹ 245.34 crore received by SMMU under the scheme, ₹ 204.71 crore was spent and UCs for ₹ 122.15 crore were submitted to the Government, pending submission of UCs of ₹ 82.56 crore.
- Eight test-checked DMMUs received ₹ 100.77 crore during 2012-15 and spent ₹ 97.70 crore, but UCs were submitted for ₹ 42.94 crore only. DMMUs of Sambalpur and Rayagada did not submit UCs for total expenditure of ₹ 18.88 crore.
- Further, BMMUs of Balliguda and Tangarpali submitted UCs for ₹ 1.46 crore (2012-15) and ₹ 0.56 crore (2013-14) to DMMUs concerned against the expenditure of ₹ 1.44 crore and ₹ 0.47 crore respectively resulting in submission of inflated UCs for ₹ 11 lakh.

2.1.7.4 Non-refund of unutilised balance under SGSY

As per instruction issued by the Director, OLM (July 2013) all committed liabilities under SGSY as on 31 March 2013 shall be met out of available funds in DRDA and the balance funds to be transferred to SMMU by 31 July 2013 which was to be adjusted against release under NRLM.

Scrutiny of SGSY cash book of DMMU, Ganjam revealed that an amount of ₹ 1.86 crore relating to unutilised SGSY subsidies refunded by the BDOs, CDPOs and banks was not refunded to SMMU and these were lying in SGSY accounts till the date of audit.

The PD, DRDA assured (August 2015) to refund the amount after ascertaining the amount of committed liabilities under SGSY.

2.1.7.5 Non adjustment of outstanding Advance

As per provision of SR-509 of Orissa Treasury Code (OTC), Volume-1 and instruction issued (December 2002) by PR Department, advance paid to Government Officials for departmental and allied purposes should be recouped/adjusted within one month from the date of advance.

Scrutiny of records of SMMU revealed that advances amounting to ₹ 11.07 crore were pending for more than one to 41 months without adjustment during 2012-13 to 2014-15 as shown in table 2.2.

Table 2.2: Details of outstanding advance

Particulars	Number	Amount outstanding as of March 2015 (₹ in lakh)	Period of outstanding
Staff	13	1.98	1 to 15 months
	2	0.29	16 to 30 months
Third Party	9	139.39	1 to 15 months
	1	518.99	31 to 41 months
PIA	7	446.09	1 to 15 months
Total	32	1106.74	

(Source- Information collected from SMMU)

Audit noticed that:

- The advances to staff were paid for visits and attending workshops while the third parties were paid for providing technical assistance and preparing intensive Block strategy.
- Seven PIAs were paid (February 2014 and May 2014) advance amounting to ₹ 4.46 crore for implementing Mahila Kishan Sashaktikaran Pariyojana (MKSP) as per the plan submitted by them. But none of the PIAs had started their activities till the date of audit.
- Third parties like BDO, SIRD, ORMAS also retained advances of ₹ 6.58 crore upto 41 months. The advance position was neither reviewed by the Director, OLM nor by any other designated officer.

Similarly, scrutiny of records of eight sampled DMMUs revealed that advance amounting to ₹ 11.42 lakh remained unadjusted for 15 to 23 months while in nine BMMUs, ₹ 18.08 lakh was outstanding for 6 to 21 months against the executants, firms and officials.

Thus, the internal control on adjustment of advances was lacking as advance remained unadjusted. The Mission Director-cum-CEO assured (June 2015) to take suitable steps for settlement of advances.

2.1.8 Implementation

2.1.8.1 Non-achievement of physical targets

While approving the AAPs of SMMU for 2013-14 and 2014-15, the Empowered Committee of NRLM approved expected outcomes which were proposed and agreed by the Mission Director-cum-CEO, OLM. Test check of Progress Reports for 2014-15 revealed the following deficiencies in fulfillment of targets:

- Out of 3,29,090 households to be mobilised into SHG fold during 2014-15, only 29,887 (nine *per cent*) households could be covered.
- Out of 9216 revenue villages to be covered under intensive approach, only 4575 villages (50 *per cent*) were covered.

The main reason for non-achievement of targets was absence of SPIP and absence of improper AAP at district and block level. Delayed posting of dedicated NRLM staff also contributed to non-achievement of targets.

The Mission Director-cum-CEO, OLM accounted (June 2015) only targets set for 2014-15 stating that the achievement was good which was not acceptable as the targets were fixed component-wise for a particular year. However, the fact remains that the desired results were not achieved against targets due to administrative ineffectiveness.

2.1.8.2 Non-achievement of target in credit linkage to SHGs

As per NRLM guidelines, mobilising bank credit is crucial for accomplishing investment goals under NRLM as it is the primary source of financial assistance. NRLM will provide Revolving Fund (RF) assistance and Capital Subsidy (CS) fund in the form of seed capital to the institutions of the poor which would strengthen their institutional and financial management capacity and build good track records to attract the mainstream banks to finance SHGs.

Table 2.3: Target and achievement in credit linkage to SHGs (SMMU)

Year	Physical		Percentage of shortfall	Financial (₹ in crore)		Percentage of shortfall
	Target	Achievement		Target	Achievement	
2012-13	100000	40113	60	800	361	55
2013-14	100000	37924	62	1000	442	56
2014-15	93023	44867	52	928	527	43
Total	293023	122904	58	2728	1330	51

(Source: Data collected from OLM)

As may be seen from the table:

- The percentage of shortfall in achieving physical target during 2012-15 ranged from 52 to 62 and that of financial target ranged from 43 to 55.
- In eight DMMUs, during 2012-15 credit linkage of ₹ 245.45 crore was made against the target of ₹ 509.70 crore and 26,364 SHGs were provided with credit linkage against the target of 52,670 SHGs. The physical and financial achievement was 50 and 48 *per cent* respectively. Mayurbhanj district was registered highest in achieving credit linkage with 75 *per cent* (physical) and 68 *per cent* (financial) whereas Nuapada was lowest with 29 *per cent* in both physical and financial achievement.
- No effective steps were taken by the BMMUs for co-ordinating with the banks.

Thus, SMMU as well as field offices failed to monitor achievement of targets in providing bank linkage to SHGs. The reason was lack of motivation due to which the SHGs did not come up to avail credit linkage.

The Mission Director-cum-CEO replied (June 2015) that they were posting Bank Mitras and adopting other strategies for quality bank linkage.

2.1.8.3 Poor Social inclusion

NRLM guidelines stipulate that the Mission would ensure bringing of at least one member from each identified rural poor household, preferably a woman, under the SHG network in a time bound manner. For identifying the poor, Situational Analysis (SA) (process of identification of poor households) is conducted to analyse the need to evolve and develop operational process to

ensure social inclusion of extremely poor and vulnerable groups (EPVGs) into the NRLM-fold.

Scrutiny of records of eight DMMUs revealed that 82,114 SHGs were operating in 116 PSs under DMMUs as of March 2015 out of which 65,060 SHGs existed prior to launch of NRLM, 9709 SHGs were revived and 7345 new SHGs (nine *per cent*) were created during the period of implementation i.e. 2012-15.

In eight³ out of 24 test checked GPLFs, Audit found that despite completion (August 2014) of Situational Analysis, 4795 poor and EPVG households neither existed in SHGs nor new SHGs were created for them.

Thus, the DMMUs and BMMUs failed to implement the mission successfully during 2012-15 in the area of social inclusion and mobilisation of households into functionally effective and self-managed institutions in the SHG-fold.

The DMMUs assured (July and September 2015) to take steps to include the left out SHGs into the NRLM-fold.

2.1.8.4 Unfruitful release of seed capital

PR Department introduced seed capital component in January 2013 and accordingly instructed the DMMUs to facilitate MIP based Seed Capital (Capital subsidy) and credit linkage for eligible SHGs. The objective was to provide 100 *per cent* credit linkage to SHGs based on their Micro Investment Plan (MIP). The MIP will be scrutinised by the Appraisal Committee at the BMMU level. The provision of providing seed capital of ₹ 50,000 to the SHGs was in force upto June 2013.

In eight test checked DMMUs, Audit found that SMMU released ₹ 17.20 crore to the DMMUs as seed capital in 2013 for 3440 SHGs at the rate of ₹ 50,000 per SHG. However, it was observed that the DMMUs released ₹ 15.75 crore for 3148 SHGs to the concerned BMMUs for disbursement. In five⁴ DMMUs, 1610 SHGs were paid seed capital of ₹ 8.05 crore. From these, 1138 SHGs were given bank linkage leaving 472 SHGs (29 *per cent*) without linkage with banks. Remaining three⁵ DMMUs had not maintained any record regarding the number of SHGs linked with seed capital based credit. Thus, the release of seed capital to 472 SHGs for ₹ 2.36 crore proved unfruitful.

Similarly, in test checked BMMUs it was observed that out of 302 SHGs, 145 SHGs were provided with credit linkage seed capital and the remaining 141 SHGs (47 *per cent*) were deprived of carrying out the intended livelihoods activities due to non ensuring of provision of bank linkage by the BMMUs.

Thus, lack of due thrust on MIPs, absence of motivation by BMMU staff and inadequate coordination with the Banks, 141 SHGs after receipt of seed capital could not start the intended livelihoods activities for strengthening their economic condition.

³ Balliguda-2 GPLFs, Chandrapur-2 GPLFs, Kotpad-2 GPLFs and Tangarpali-2 GPLFs

⁴ Ganjam, Kandhamal, Sambalpur Sundargarh and Koraput

⁵ Mayurbhanj, Rayagada and Nuapada

Besides, Audit also noticed irregularities in selection and recommendation of SHGs by the BMMUs for seed capital and credit linkage was not in order as discussed below.

- Contrary to guidelines, BMMUs, Ganjam and Sinapali sanctioned seed capital of ₹ 11 lakh to 22 SHGs (Ganjam-10 and Sinapali-12) against blank MIPs submitted by them.
- BMMU, Chandrapur released seed capital of ₹ 10 lakh to 20 SHGs without obtaining the MIPs from SHGs. The SHGs also did not insist for credit linkage.

Audit physically verified 130 SHGs under 13 test checked BMMUs and found as under:-

- 47 SHGs⁶ were paid seed capital of ₹ 24.50 lakh out of which 29 SHGs⁷ (67 per cent) were not provided with credit linkage.
- 19 SHGs⁸ distributed the amount (₹ 9.50 lakh) among the members while remaining seven SHGs in Chandrapur had kept the amount in their savings bank accounts without utilising the same for any livelihoods purpose.

The DMMUs stated that seed capital was paid to the eligible SHGs and 100 per cent target could not be achieved due to initial stage of implementation of the scheme. BMMU, Ganjam stated (August 2015) that the original MIPs were duly filled in and sent to Bank while BMMU, Chandrapur stated (September 2015) that all the records were with the Bank. The other BMMUs attributed the reason of shortfall to absence of required number of staff.

The replies were not acceptable as Audit cross checked the records with the Banks and found that the MIPs were not sent to Banks as claimed by the BMMUs concerned. The fact remains that the payment of seed capital to the SHGs became unfruitful due to lack of proper monitoring at higher levels.

2.1.8.5 Functioning of Gram Panchayat Level Federations (GPLF)

The GPLF is the third tier of community institution structure which is formed at the GP level taking representatives from Cluster Level Federations (CLF). The main objective of GPLF is to empower the rural poor on economic and social aspects through formation of SHGs, lending funds to SHGs out of Community Investment Fund (CIF), develop and strengthen the network of SHGs in GP thereby contribute to the sustainability of the members of SHGs. CIF is given to GPLF for extending loans to SHGs, grants to extremely poor and vulnerable households or investing in collective enterprises for addressing livelihoods needs of the poor.

As per GPLF Formation/Restructuring and Fund Flow Guidelines, each GPLF

⁶ Balliguda-4, Chakapada-5, Chandrapur-8, Ganjam-3, Jashipur-4, Phulbani Sadar-10, Kusumi-4, Sinapali-5, and Kotpad-4

⁷ Balliguda-4, Chakapada-5, Chandrapur-8, Ganjam-3 Kusumi-4 and Sinapali-5

⁸ Chakapada-5, Jashipur-2, Kusumi-1, Balliguda-1, Sinapali-4, and Kotpad-6

is to be provided with start-up fund of ₹ 1,35,450 (fixed) to meet contingent expenditure with Institutional Building (IB) and Capacity Building (CB) funds for capacity development of members. Further, as per the GPLF Operational Guidelines, six⁹ mandatory sub-committees are to be formed to take important decision to implement the scheme.

GPLF is to maintain mandatory records like minutes book of General Body (GB) meetings, Executive Committee (EC) meetings, Sub-committee meetings, Membership registers, Asset-cum stock registers etc. and prepare monthly, quarterly, half-yearly and annual reports on performance of GPLF and display the same in the notice board for transparency.

Test check of records of 24 GPLFs in test checked BMMUs revealed that:

- Eight GPLFs¹⁰ did not utilise the IB and CB funds of ₹ 43.24 lakh received between September 2014 and March 2015 towards capacity building of members of SHG, CLF and GPLF.
- Prescribed training on Module-I to Module-V was not imparted in 28 SHGs¹¹ for which they were unable to follow the Panchasutra (regular meetings, regular inter-loaning, regular savings, timely repayment and up-to-date books of accounts), the basic requirement for functioning as an SHG.
- In 24 GPLFs though all six mandatory committees were formed 3 to 16 months back, no meeting was held. Due to non-functioning of the committees, no Producer Group (PG) was formed as required under community operational guidelines.
- None of the 24 GPLFs prepared periodical reports as applicable for disclosure of the performance. In 15 GPLFs¹² mandatory records as mentioned above were also not maintained for generation of such reports.

2.1.8.6 Poor functioning of SHGs

The key features of NRLM are training and capacity building of members of SHGs, provision of RF and capital subsidy, marketing support and livelihoods development. The SHGs are to follow Panchasutra, explore various possibilities of mobilising credit linkage, distribute loans and withdraw funds as per resolution passed in the meetings.

Scrutiny of records of 130 SHGs and interview with Secretary / President of SHG under the test checked BMMUs revealed that:

⁹ Social Service Committee, Finance and Fund Management Committee, Procurement Committee, Participatory Monitoring Committee, Utilisation verification Committee and Livelihoods Promotion Committee

¹⁰ Chandrapur-2 GPLFs, Ganjam-2 GPLFs Jashipur-2 GPLFs and Sinapali-2 GPLFs

¹¹ Chandrapur-5, Chakapada-2, Ganjam-10, Jashipur-5, Phulbani Sadar-4, and Sinapali-2

¹² Balliguda-2, Chandrapur-2, Ganjam-2, Jashipur-2, Kuchinda-1, Kusumi-2, Sinapali-2 and Tangarpali-2 GPLFs

- 99 SHGs did not follow the principles of Panchasutra for which withdrawals from savings account were made without resolution, records of inter-loaning were not maintained and livelihoods activities were not carried out.
- 60 SHGs¹³ were not provided by the BMMUs with RF of ₹ 10,000 to ₹ 15,000 to use it as corpus fund for management of SHG.
- 83 SHGs¹⁴ did not make any future planning to enhance their livelihoods as 120 out of 260 members interviewed reported that, economic condition, dwelling condition and asset-creation were not improved.
- The members of 99 SHGs¹⁵ were not involved in collective activities like agriculture, preparation of *Chhatu* (*Chhatua*), brick making etc. to improve their livelihoods as only three SHGs (one in Kusumi and two in Balliguda) could create brand name of their products.
- Six SHGs¹⁶ gave loan amounting to ₹ 0.68 lakh to 27 non-members violating the principles of inter-loaning.
- Maa Gruhalaxmi SHG under Kuchinda BMMU started (February 2013) making leaf plates activities mechanically but due to non-availability of raw material (sal leaves) and managerial problems of the SHGs alongwith absence of marketing support from OLM, the activity could not be sustained.

Thus, due to lack of supervision, non-imparting of training to the members and non-provision of RF, the SHGs failed to take up the livelihood activities for enhancement of economic condition of their members.

2.1.8.7 Functioning of existing Producer Groups

The Producer Group (PG) consisting of 30 to 150 members of SHGs, is a business organisation owned and managed by poor and marginal producers for their mutual benefit. Its objective is to enhance production and access to services and markets on a sustainable basis. As per the guidelines / strategy of Odisha Rural Development and Marketing Society (ORMAS), the PG should develop an AAP for each financial year including detailed business plan on activity selected and source of funds. The PG will require support like skill enhancement of executive members and group members on different aspects of livelihoods activities. A Livelihoods Support Person (LSP) is to be selected by the PG to provide services to the producers and manage the producer's business activities. The LSP is to submit the monthly progress report to BMMU/ DMMU as approved by the PG. As per the review meeting (February 2013) by PR Department, the impact assessment of PGs was to be made by a third party.

¹³ Balliguda-5, Chakapada-8, Chandrapur-6, Ganjam-5, Jamankira-4, Jashipur-5, Kotpad-5, Kuchinda-5, Morada-5, Phulbani Sadar-3 and Sinapali-9

¹⁴ Balliguda-2, Chakapada-4, Chandrapur-10, Ganjam-10, Jamnkira-10, Jashipur-10, Kotpad-9, Kuchinda-4, Kusumi-2, Morada-7, Sinapali-10 and Tangarpali-5

¹⁵ Balliguda-1, Chakapada-8, Chandrapur-8, Ganjam-10, Jamankira-8, Jashipur-9, Kotpad-7, Kuchinda-10, Kusumi-4 Morada-10, Phulbani Sadar-4, Sinapalli-10 and Tangarpali-10

¹⁶ Kuchinda-1, Balliguda-4, Chandrapur-1

Based on the approved Detailed Project Proposals, five¹⁷ DMMUs received (October 2013) an amount of ₹ 5.58 crore towards working capital and IB and CB funds of 146 PGs out of which ₹ 1.86 crore was released to 122 PGs between December 2013 and January 2015. Similarly, ₹ 1.03 crore¹⁸ was released to Chief Executives, District Supply and Marketing Society (CE, DSMS) for onward release to the PGs as working capital.

Audit found the following discrepancies in functioning of PGs.

- Working capital to 12 PGs (11 in Mayurbhanj and 1 in Nuapada) were not released by the CEs, DSMS as of August 2015 even after lapse of two years of receipt of funds. PD, Ganjam retained the working capital amounting to ₹ 6 lakh of 32 PGs for two years without any specific reason. Thus, the PGs were not able to start livelihoods activities.
- As per instruction issued by the OLM, APD (Training) in collaboration with the CE, DSMS had to prepare the plan and facilitate the trainings to the members of PGs. But they failed to co-ordinate with the PGs and all 3595 producers/members had not undergone any training despite transfer of funds to the PGs. The amount remained in the bank accounts of PGs till the date of audit.
- As per the guidelines/strategy of ORMAS, the LSPs of the PGs had not conducted their prescribed activities and not submitted the monthly progress reports to BMMU / DMMU due to which DMMUs were not able to know the activities of the PGs.
- Third party assessments of functioning of PGs were not conducted by any PGs despite receipt of IB and CB funds and working capital since 2013.

The designated officers of OLM failed to ensure proper functioning of PGs by timely release of funds, imparting of training and submission of AAP/report by the PGs.

The DMMUs assured (August 2015) to issue suitable instructions to the PGs to submit the required progress report and make impact assessment by third party.

2.1.8.8 Inadequate manpower for implementation

As per NRLM guidelines, dedicated sensitive support units need to be set up at the National, State, district and sub-district levels. These units were to be staffed with professionally competent and dedicated human resources.

Scrutiny of records revealed that the personnel were appointed from July 2014 onwards with a delay of 19 months. This was due to the delay in taking decision on reservation policies, methods of online preliminary written test, fixating of cut off marks for different categories of posts by the Mission Director-cum-CEO at the levels of both OLM and XIMB. Audit found that the activities of OLM had been affected due to shortage of staff. The position of sanctioned post

¹⁷ Mayurbhanj, Ganjam, Rayagada, Nuapada and Koraput

¹⁸ ₹ 35.50 lakh to CEDSMS, Mayurbhanj, ₹ 56.33 lakh to CE, DSMS, Rayagada and ₹ 11.30 to CE, DSMS Nuapada

vis-a-vis men-in-position of OLM as on March 2015 is given in **Appendix 2.3**. The vacancies at State level ranged between 69 and 89 *per cent*, while at district and block level, it ranged from 37 and 45 to 100 *per cent* respectively. In test checked BMMUs, Audit found exclusive OLM staff like Block Project Manager was posted between August and December 2014 but other important officials¹⁹ were not posted in seven BMMUs²⁰ as of March 2015 for which there was less social inclusion, less bank linkages, non/less formation of PGs, non-follow-up of utilisation of seed capital and tardy implementation of the scheme as discussed in preceding paragraphs.

The Mission Director-cum-CEO stated (July 2015) that posting of exclusive staff was delayed due to late hiring of recruitment agency.

2.1.8.9 Training and Capacity building

NRLM guidelines stipulate that there will have to be an exclusive induction design for all staff coming on board. A system should be instituted to identify the training needs of each level of staff and accordingly annual capacity building programme will be chalked out.

Scrutiny of records and information furnished by SMMU revealed that:

- No training programme was conducted during 2012-13. During the year 2013-14 the target was achieved but during 2014-15, there was a shortfall of 4500 units as against the target of 12500 units in imparting training to SHGs.
- Though 19 DPMs and 174 BPMs were posted in different districts and blocks as of March 2015, five DPMs were not given any training while 174 BPMs were given orientation training but none of the BPMs were given induction and immersion training.

The Mission Director-cum-CEO stated (August 2015) that the process of conducting induction process of all the newly joined staff was still in progress.

Scrutiny of records revealed that DMMUs of Rayagada and Nuapada released ₹ 34.65 lakh to BMMUs during 2012-15 for imparting different training programmes to 14,710 and 11,260 SHG members respectively. The DMMUs neither maintained any records on actual utilisation of the released amount nor monitored the training programme despite posting of Assistant Project Director (Training) in the DRDAs. It was further noticed that in BMMU Chandrapur, training programmes for utilisation of RF, utilisation of seed capital, training for GP facilitator for MIP based seed capital and credit linkage and drudgery reduction²¹ were not conducted.

19 FIC-Financial Inclusion Co-ordinator, LC-Livelihoods Co-ordinator, SDC-Skill Development Co-ordinator and IBC-Institution Building Co-ordinator

20 Chandrapur, Ganjam, Jashipur, Kotpad, Phulbani Sadar, Sinapali and Tangarpali

21 Drudgery-Hard boring work. Examples of some energy saving and drudgery reduction implements are dryland weeder, V-blade hand hoe, comb-type ground nut stripper, Naveen sickle, Hamam (water heating device), pre-germinated paddy seeder and coconut de husker

The DMMU, Rayagada accepted (August 2015) the facts and assured maintenance of the records while BMMU Chandrapur replied that the remaining training programmes would be conducted.

2.1.8.10 Poor placement/self-employment by Rural Self Employment Training Institutes (RSETIs)

As per NRLM guidelines, NRLM is to encourage public sector banks to set up RSETIs in all districts of the country. The areas of technical assistance to RSETIs include trainee selection methodologies, course development and post-training follow-up/ handholding for two years to ensure that the candidates take up their vocation and are able to sustain. Further, RSETIs Manual stipulates that DRDA is responsible for sponsoring the eligible candidates to RSETI training and reimbursing the training cost and RSETI guidelines stipulate that at least 70 *per cent* trainees should be from rural BPL category till DRDA certifies that the BPL list of a particular district is exhausted.

Scrutiny of records of SMMU revealed that the RSETIs were functioning in all the 30 districts of the State as of March 2015 and against the target of 38,150 BPL rural youths to be trained during 2013-15, 41,547 (109 *per cent*) were trained of which 24,581 (59 *per cent*) as reported by the SMMU were employed/self-employed through bank finance.

Further, during 2012-13 in eight DMMUs and RSETIs concerned, Audit found that against the target of 14,534, training was given to 12,298 (85 *per cent*) of which placement/bank finance for self-employment was available to only 4162 (34 *per cent*) trained candidates.

The non-achievement of desired goal to provide sustainable livelihoods to the trained rural BPL youth for employment/self-employment through bank linkage was due to:

- Non-sponsoring of deserving candidates through rational selection of the candidates at GP and PS level.
- Lack of follow up of action by DRDAs and RSETIs for placement/self-employment as the RSETIs of Nuapada, Rayagada and Ganjam did not even maintain the records regarding self-employment/ placement of trained candidates.
- In RSETI Sundargarh, out of 1177 candidates trained, 576 belonged to BPL category (49 *per cent*) as against the desired 70 *per cent*. However, the desired target was achieved in other seven test checked districts.

Thus, due to non-sponsoring of the deserving BPL candidates by the RSETIs/ DRDAs and poor follow up action, the RSETIs failed to provide the rural BPL youth skill upgradation to get placement successfully.

Accepting the fact, PD DRDAs assured to take action for quality training of rural youth with special preference to BPL category for 100 *per cent* placement/self-employment through bank finance.

2.1.9 Monitoring and Evaluation

NRLM guidelines stipulate that constant review, assessment and learning was needed from the qualitative and quantitative progress achieved at various levels. Implementation of NRLM activities was to be monitored and reviewed by District Level Coordination Committee (DLRC/DLCC) chaired by the District Collector at least once in every quarter.

PR Department constituted (December 2012) District and Block Level Committees stipulating monthly meeting on progress of implementation of NRLM in the Districts and Blocks. The guidelines further envisage that there shall be a grievance redressal mechanism at State and community levels and at the community level, recording and tracking of grievances of SHG or its members are to be resolved.

Scrutiny of records at SMMU revealed that review was made by Commissioner-cum Secretary, PR Department, World Bank Support Mission, Performance Review Committee, MoRD and a midterm review made by NMMU to access the implementation of NRLM in the State.

However, at district level, Audit found that the desired number of meetings were not conducted by six DMMUs²² and against required 162 monthly meetings, only 94 meetings (58 *per cent*) were conducted. DMMUs of Ganjam and Rayagada had conducted regular meetings. At the BMMU level, six BMMUs²³ had not conducted any meetings to review the implementation of the scheme. Against the required 351 meetings to be conducted by the BMMUs, only 30 meetings were held resulting in shortfall of 321 (91 *per cent*) meetings. Due to non-conduct of desired number of meetings, the issues like revival of defunct SHGs, formation of producer groups and bank linkages to the SHGs were not addressed by the BDOs. Further, Audit observed that there was no mechanism of grievance redressal of SHGs by BMMUs.

During joint physical inspection, Audit found that out of 130 SHGs, 76 SHGs²⁴ were not visited by any higher officials during the period of implementation of scheme due to which there was poor maintenance of records, non-receipt of revolving funds by the SHGs and irregular lending of loans to outsiders (other than SHG members).

Thus, adequate steps were not taken to monitor the implementation of NRLM which led to slow progress in achievement of targets and desired objectives.

2.1.10 Conclusion

The Mission Director-cum-CEO, OLM was responsible for implementation of NRLM in the State. However, Audit found a number of deficiencies in planning, execution and monitoring of the scheme. In absence of improper AAPs, no target could be fixed at the Block and District level while the SMMU and DMMUs used to set both physical and financial target for the District and

²² DMMUs of Ganjam, Sambalpur, Sundargarh, Kandhamal Mayurbhanj and Koraput

²³ Chakapad, Jashipur, Kusumi, Ganjam, Kuchinda and Phulbani Sadar

²⁴ Balliguda-2, Chandrapur-10, Ganjam-10, Jashipur-10, Kotpad-3, Kuchinda-7, Kusumi-9, Morada-3, Phulbani Sadar-9, Sinapali-10 and Tangarpali-3

Blocks respectively. Only 52 *per cent* of targeted old SHGs could be revived / strengthened and 476 GPLFs (40 *per cent*) were formed over a period of three years of implementation of scheme which ultimately affected the success of the scheme. GoI reduced the Central share by ₹ 165.35 crore due to less utilisation of funds. There were outstanding advances of ₹ 4.46 crore against seven PIAs for more than 13 months and UCs for ₹ 82.56 crore was pending for submission to Government. There was 58 *per cent* shortfall in extending credit linkage to the SHGs for which they could not take up the intended livelihoods activities. Further, 141 SHGs after receipt of seed capital of ₹ 70.50 lakh, could not start livelihoods activities due to lack of thrust on MIP, absence of motivation and lack of coordination with the Banks. The delay in recruitment of staff for NRLM for 19 months hampered the implementation of scheme. Due to non-sponsoring of the deserving BPL candidates by the RSETIs/ DRDAs and poor follow up action, the RSETIs failed to provide the rural BPL youth skill up gradation for availing successful placement.

2.1.11 Recommendations

Government may consider the following recommendations:

- Annual Action Plans may be prepared at the levels of sub-district and district level taking into account the needs of GPLFs and producer groups.
- Urgent steps may be taken to form all GPLFs in the State for creation of more producer groups, capacity building and credit facility to SHGs.
- SHGs should be motivated by GPLFs to start livelihoods activities by providing optimum assistance and credit linkage in time bound manner.
- BMMU and DMMU should provide market support for SHG products and RSETI should ensure through periodical monitoring that the candidates take up their vocation and should be able to sustain.
- The vacant posts at BMMU may be filled up as soon as possible for proper implementation of the scheme.

CHAPTER III

COMPLIANCE AUDIT

CHAPTER III COMPLIANCE AUDIT

3.1 Implementation of Third State Finance Commission Award (PRI)

3.1.1 Introduction

The State Finance Commissions (SFCs) are constituted at the end of every five years under Article 243(I) of the Constitution of India to provide stronger institutional support and strengthen their working as institutions of self-governance and development and alleviate the economic insecurities of the vulnerable sections of our society. The Commission spells out the principles which should govern the distribution of net proceeds of taxes, duties, tolls and fees among the local bodies¹ and suggest measures for the local bodies to augment their own resources. The Constitution (Article 243 G) provides for “devolution”, i.e. the empowerment of PRIs to function as institutions of self-government. The Third State Finance Commission (TSFC) was constituted in September 2008 and the Commission submitted its report to the Government in January 2010 giving 11 major recommendations in respect of PRIs which was accepted by the Government. TSFC's recommendations were to be made operational during 2010-11 to 2014-15.

3.1.2 Audit findings

The audit of SFC grants was conducted through test check of records of Finance Department, Panchayati Raj Department, three Zilla Parishads² (ZPs), nine Panchayat Samitis³ (PSs) and 45 Gram Panchayats (GPs).

The status of compliance to 11 major recommendations is listed below.

Table 3.1:- Status of compliance to recommendations of TSFC

Sl. No.	Para No.	Name of the recommendations	Status
1	9.3	Implementation of orders of devolution of powers	Complied
2	9.4	Constitution of Panchayat level committee and Zilla Parishad level committee, President, Zilla Parishad and Chairman, Panchayat Samiti as Chairperson	Not complied
3	9.5	Opening of Panchayat sector in Budgets of 11 departments	Not complied
4	9.6	Extent of State's revenue to be devolved to the PRIs and ULBs	Complied
5	9.7	Devolution of resources to PRIs	Partially complied
6	9.9	Recommendation of Grant-in-aid in favour of PRIs	Partially complied
7	9.10	Transfer of funds from certain sources without additional burden on the state exchequer	Partially complied
8	9.11	Empowering GPs and ULBs to impose taxes	Not complied
9	9.13	Provision of Functionaries	Not complied
10	9.14	Demand of Panchayati Raj Service Engineers Association for creation of cadre and promotion of Panchayati Raj Jr. Engineers to the post of Asst. Engineers without further delay	Not complied
11	9.16	Compliance to the recommendation of the Second State Finance Commission. This applies to the recommendation of the Third State Finance Commission and the subsequent Finance Commission	Not complied

(Source:- Compliance to observation submitted by the PR Department)

¹ 6,553 Panchayati Raj Institutions and 111 Urban Local Bodies

² Dhenkanal, Kendrapara and Koraput

³ Bhuban, Hindol, Jeypore, Koraput, Kotpad, Mahakalapada, Marshaghai, Parjang and Pattamundai

As could be seen from table 3.1, out of 11 recommendations, the State complied only two in entirety and three recommendations partially.

In order to implement the recommendations of TSFC, the State Government requested (January 2010) the Thirteenth FC to award ₹ 4480.85 crore for distribution between PRIs (75 *per cent*) and ULBs (25 *per cent*). But, Thirteenth FC recommended ₹ 3270.90 crore to be distributed between PRIs (₹ 2756.02 crore) and ULBs (₹ 514.88 crore) and the balance amount of ₹ 1209.95 crore was to be funded by the State Government. The TSFC also suggested to assign revenue towards *sairat*, *Kendu* leaf and cess on land revenue under the head “Compensation and Assignment” to be utilised by PRIs towards salary, TA, DA, sitting fee, honorarium expenses and untied fund. As such, the State Government was responsible for releasing the grants to PRIs for implementing the recommendations of TSFC as given in the following table.

Table 3.2: Devolution of funds as per TSFC (₹ in crore)

Sl. No.	Name	Amount	
		Per year	For five years
1	Devolution of Fund (75% of ₹ 1209.95 crore)	181.49	907.45
2	Compensation and Assignment	37.15	185.77
3	Untied Fund	114.20	571.00
4	Grants-in-Aid for Salary, Honorarium etc.	251.16	1255.80
Total		584.00	2920.02

(Source: Compiled by audit from the report of TSFC)

3.1.2.1 Less devolution of State resources to Local Bodies

Scrutiny of records of Finance Department and PR Department revealed that out of PRI share of ₹ 907.45 crore, State Government released ₹ 855.24 crore during 2010-15 as given in the table below:

Table 3.3: Short release of PRI share (₹ in crore)

Year	Recommendation as per TSFC	Amount released	Short /excess release
2010-11	181.49	0	181.49
2011-12	181.49	230.49	(-) 49.00
2012-13	181.49	231.49	(-) 50.00
2013-14	181.49	211.77	(-) 30.28
2014-15	181.49	181.49	0
Total	907.45	855.24	52.21

(Source: Compiled by audit from the information given by PR Department)

It would be observed from the above that there was short release of ₹ 52.21 crore during 2010-15. No fund was released in 2010-11 as the Action Taken Report (ATR) on implementation of recommendation of TSFC was placed in the State Legislature for acceptance only in February 2011 i.e. after 13 months of receipt of report. As a result, no budgetary provision could be made in 2010-11. Though the devolved fund of 2010-11 was released in subsequent three years as backlog grant with some additional amount, it failed to compensate the total amount due during 2010-11 to 2014-15. Thus, due to short release of funds, PRIs could not take up the required works.

Planning

3.1.2.2 Delayed formulation of Comprehensive Guidelines

Though the recommendation of TSFC was implemented from April 2011, PRD circulated the comprehensive guidelines for utilisation of Untied Fund (PS share) and Devolution fund (ZP and GP share) only in August 2013 and July 2014 respectively and until then the guidelines of GGY and BRGF were followed. Some of the deficiencies noticed in the guidelines of the GGY in comparison to the new Comprehensive guidelines of Devolution fund and Untied fund are given below.

Table 3.4: Comparison of GGY and comprehensive guidelines of SFC

As per GGY guidelines (November 2006)	As per comprehensive guidelines (July 2014)
1(b) Construction of CC Road inside villages with drainage facility shall be given special emphasis. Otherwise, the approach/ link road from the main road to the village can be developed.	No such criteria.
5(a) List of projects should be prepared by BDO in consultation with PRI representatives and same should be forwarded to the Collector for approval and prioritisation by DLC.	Clause 6.2 of the guidelines of Devolution Fund states that in GP meeting, list of projects for the next financial year is to be tabled for finalisation preferably in the month of April. The same schedule applies for the ZPs.
GGY and BRGF schemes were to cover Electricity, Road and Water (Bijli, Sadak, Pani)	Clause 6.5 of the guidelines of Devolution fund states that the projects should be in nature of filling up of most important critical gaps which cannot be met out of regular schemes.

The new comprehensive guidelines focused on projects which can fill up most critical gaps which cannot be met out of regular schemes and the PSs followed GGY guidelines giving emphasis only to CC Roads, as discussed at Paragraph 2.2.4. Scrutiny of records of 45 selected GPs of nine test checked blocks revealed that due to delay in formulation of guidelines, list of projects was not finalised for the year 2014-15. The projects were selected out of AAP of other line schemes such as GGY, CC Road etc. All BDOs replied (May and September 2015) that the GPs would be directed to prepare the action plan for finalisation of the same at the level of Gram Sabha and submit the same to the BDO for administrative approval of the projects.

3.1.2.3 Lack of transparency in selection of projects

PRD instructed (October 2011) that there should be complete transparency in the choice of the project and location. The prioritised list of projects and the reason for taking up those projects including the criteria for choice of locations must be reflected in the Action Plan. Since the scheme was being governed by GGY guidelines till July 2014, the PRIs were required to prepare perspective plan from which Annual Action Plan was to be drawn. As per the guidelines for utilisation of Devolution Fund, issued in July 2014, list of projects for the next financial year is to be tabled in the GP meeting for finalisation preferably in the month of April.

Scrutiny of records in three test checked ZPs revealed that the Executive Officers (EOs) executed 438 projects⁴ during 2011-12 to 2014-15 with the estimated cost of ₹ 13.39 crore. Though, long term planning was not made by the Blocks and

⁴ Kendrapara 171 of ₹ 4.62 crore, Dhenkanal 132 of ₹ 4.30 crore and Koraput 135 of ₹ 4.47 crore

ZPs, the list of projects was approved without prioritising and considering actual need of the particular locality. There was no Action Plan and the Block Development Officers (BDOs) neither educated the GPs regarding preparation of Action Plan nor prepared the same at Block level. Since projects were not prioritised at the time of preparation of the list, new projects were added or replaced subsequently and the same were approved by the EOs of ZPs.

The non-existence of a long term and prioritised plan also resulted in irrational distribution of funds as stated below:

- Mathakaragola GP of Bhuban PS had population of 5,543 for which four projects (estimated cost ₹ 9 lakh) were sanctioned whereas Dhalapada GP with population of 3,178 was sanctioned six projects costing ₹ 10 lakh and Balibo GP with population of 6,631 was sanctioned ₹ 6.50 lakh for three projects.
- In Jeypore PS, four⁵ GPs and in Kotpad PS two GPs⁶ were deprived of projects out of PS Share during the entire award period of Third SFC.

3.1.2.4 Non preparation of Annual Action Plan

PRD instructed (August 2013) to place the list of projects in the PS meeting to be held in the month of December each year for deliberation. The priority list was to be finalised by end of December by the PS for the next financial year and it was to be submitted to the PD, DRDA and Collector of the District by January. Similarly, the guidelines issued (July 2014) by PRD in relation to utilisation of devolution funds (GP share) envisaged that the list of projects for next financial year was to be tabled in the GP meeting in April and the priority list to be finalised by end of April for submission to PD, DRDA and Collector by 15th February.

Scrutiny of the Meeting Register and minutes of meetings of nine test checked PSs for the period September 2013 to March 2015 revealed that project list was not prepared for approval for the year 2014-15. As a result, ₹ 35 lakh received during 2014-15 from concerned PD, DRDAs by each PS towards Untied Fund (PS Share) could not be utilised during the year by seven PSs (except Parjang and Kotpad) and remained unspent till the date of Audit (August 2015). BDO, Parjang and Kotpad, utilised the scheme funds towards construction and maintenance of office building and residential quarters in the absence of priority list. BDO, Mahakalapada replied (May 2015) that the Perspective plan was being prepared at PS meeting.

Improper selection of projects

3.1.2.5 Selection of projects without linking to habitation

GGY guidelines give emphasis to construct inter-village and intra-village CC roads to strengthen rural connectivity. In case there was no need in the selected villages, the approach road from the main road to the village can be developed.

During joint physical inspection with PS officials, Audit observed that the CC

⁵ Ambaguda (4921), Dhanpur (4042), Ekamba (4960) and Hadia (4503)

⁶ Bhonsuli (3336), Bobeya (6704)

roads constructed at a cost of ₹ 26.23 lakh could not achieve any connectivity as the roads were constructed towards the end of the village leading to no habitation.

Table 3.5: List of CC Roads constructed without connectivity (₹ in lakh)

Name of the ZP	Name of the PS	Name of the GP	Name of the project	Actual cost
Kendrapara	Marshaghai	Jamapada	From Mobile tower to Rajendra Parida land	2.00
	Pattamundai	Bilikana	CC Road from RD Road to Dhiren Kumar House	2.00
			CC Road from Badagana RD Road to Samilianta	2.00
Dhenkanal	Hindol	Kadala	Kadala Siba Mandir CC Road	3.00
		Nabakishorepur	CC Road Dalak village	3.00
		Nabakishorepur	Maa Pitabali Thakurani Pitha CC Road	3.23
	Parjang	Kalda	Bahalsahi Harijansahi CC Road	2.00
	Bhuban	Surapratappur	Surapratappur Harijansahi CC Road	2.50
Koraput	Jeypore	Dangarchinchi	CC Road from Amkatguda to Kiakuisal	2.00
	Kotpad	Girila	CC Road at Nuagada	2.00
		Gumuda	CC Road at Basuli	2.50
Total				26.23

(Source: Compiled by Audit from the JPV Reports)

The BDOs stated (May-September 2015) that the works were executed as per the approval of the PS meeting and assured to take care in selection of projects in future.

The reply is not acceptable as the road projects were executed without following the GGY guidelines which resulted in unfruitful expenditure.

- **Giving connectivity to single household:** During joint physical inspection, Audit found that following CC Roads with expenditure of ₹13.24 lakh were constructed to provide connectivity to single household only.

Table 3.6 List of CC Roads providing connectivity to single household (₹ in lakh)

Name of the PS	Name of the GP	Name of the work	Case record No.	Work order No.	Actual cost
Pottamundai	Balikana	CC Road from RD Road to Dhiren Manna House	17/13-14	597/25.12.2014	2.00
Parjang	Kankadasoda	Construction of CC Road from Ambapalas PWD Road to Nuadiha	8/14-15	939/25.03.2015	3.51
	Kumusi	CC Road from Dhukhabandhu Guhal to Kathapaturia	6/12-13	22.02.2013	1.73
Pottangi	Deopottangi	CC Road at Deopottangi	9/14-15	1300/15.06.2014	2.00
	Rallegada	CC Road from NH 26 to Kandhasahi	147/13-14	1509/10.07.2014	2.00
Jeypore	Bariniput	CC Road at B Maliguda New Colony	4/13-14	20.07.2013	2.00
Total					13.24

(Source: Compiled by Audit from the JPV Reports)

As the project proposals had not emanated from grass root level based on felt need of local people, finalisation of projects at PS meeting extending benefits to a particular household resulted in utilisation of scheme funds of ₹ 13.24 lakh for benefit of selective individuals.

EO, ZP Dhenkanal stated (July 2015) that the BDOs would be intimated to check the admissibility of the project at the time of administrative approval while BDO Jeypore stated (September 2015) that the Chairman

of the PS would be requested to select the project as per the provision of the guidelines.

3.1.2.6 Lack of co-ordination among the departments

The aim of road projects under the scheme was to provide connectivity to main habitation of the village from ST/SC habitation or other habitations. However, Audit found during joint physical inspection that four roads (**Table 3.7**) in Mahakalapada and Pattamundai PSs were constructed during 2012-13 and 2013-14 at a cost of ₹ 9.28 lakh on village main roads on which PMGSY roads were constructed by Rural Development (RD) Department subsequently by utilising PMGSY funds.

Table 3.7: List of roads over which the roads were constructed by another department

(₹ in lakh)

Name of the PS	Name of the project	Estimated cost	Work order No.	Date of completion	Voucher No.
Mahakalapada	CC Road from Sarumuhin to Kocila	2.03	4253/28.10.2013	Not available	24/13.12.2013
	CC Road from Sarumuhin to Kocila	2.00	2997/19.11.2012	12.08.2013	14/20.09.2013
	CC Road from N Swain house to Kocila	2.02	4182/22.10.2013	Not available	25/13.12.2013
Pattamundai	Gobara Nath House to N Chuli House	3.23	59/11.03.2013	23.03.2013	7/03.04.2013
Total		9.28			

(Source: Compiled by audit from the Reports of JPI)

Thus, lack of coordination between the Departments resulted in wasteful expenditure of ₹ 9.28 lakh.

BDO, Mahakalapada stated that those roads being essential were constructed prior to taking up of these roads by RD department. BDO, Pattamundai stated that the work was executed as per the approval of the PS.

3.1.2.7 Execution of work without approval of the ZP

As per PRD orders of October 2011 and December 2011, the project proposal is to be approved by the ZP and PS concerned for execution of projects from ZP share and PS share respectively.

Audit scrutiny revealed following:

- In Dhenkanal and Koraput districts, 151 projects⁷ were executed by PSs without approval of the ZP during 2011-15, which was irregular. Similarly, in Kendrapara district EO, ZP, Kendrapara executed six projects with estimated cost of ₹19.50 lakh without approval of ZP. The EO, ZP, Kendrapara admitted the fact with assurance to comply in future. The EO, ZP Dhenkanal stated (August 2015) that the projects were submitted for post facto approval.
- Similarly, all nine test checked PSs executed 435 projects with estimated cost of ₹ 12.72 crore during 2011-15 without approval of concerned PSs. The BDOs of Mahakalapada, Marshaghai, Pottamundai, Bhuban and

⁷ Koraput 77 (EC-₹ 2.47 crore) and Dhenkanal 74 (EC- ₹ 2.30 crore)

Kotpad replied that *post facto* approval would be obtained while other BDOs did not furnish any reply.

Fund Management

3.1.2.8 Receipt and utilisation of Devolution and Untied fund

EO, ZP is the DDO for both Devolution fund (ZP share) and Untied fund (PS share) and the District Panchayat Officer (DPO) is the DDO for Devolution fund (GP share). The EOs of three test checked ZPs received an amount of ₹ 76.66 crore towards Devolution Fund and Untied Fund during the period from 2011-15 and utilised ₹ 75.61 crore (98.6 *per cent*).

Similarly, three test checked DPOs received an amount of ₹ 69.41 crore and the same was distributed among the GPs during the period from 2011-12 to 2014-15.

Scrutiny of Cash Book, Pass Book, GIA register as well as information furnished to Audit by the EO, ZPs, DPOs, nine test checked BDOs and 45 GPs revealed the irregularities which are discussed in subsequent paragraphs.

3.1.2.9 Non-preparation of Monthly Expenditure Statement (MES) / Non utilisation of Kendu Leaf/ Cess Grant

As per provision 8.1 of Comprehensive guidelines on utilisation of Devolution Fund, the DPO and PD, DRDA are responsible for submission of Monthly Expenditure Statement of the GP and ZP share respectively. But it was seen that no expenditure statement for the SFC fund was prepared by DPOs and PDs, DRDA of three tests checked ZPs.

Scrutiny of records of 45 GPs of nine selected PSs under three ZPs revealed that during 2011-12 to 2014-15, the said GPs received an amount of ₹ 473.58 lakh towards Devolution fund (GP share) and utilised ₹ 346.92 lakh (73 *per cent*). The balance of ₹ 126.66 lakh remained unutilised as of August 2015.

Audit further noticed that:

- No information was available with the DPO regarding unutilised fund available with GPs. Similarly, nine test checked PSs received ₹ 22.19 crore for Untied fund and Devolution fund (ZP share) and could utilise ₹ 15.53 crore during 2011-15. The balance fund of ₹ 6.66 crore (30 *per cent*) was lying unspent with the PSs due to non-approval of the projects in time by the PSs. The PSs and GPs did not submit the MES and there was no monitoring by the concerned DDOs and thus, they remained unaware of the actual utilisation of funds.

PD, DRDA, Kendrapara stated (June 2015) that the PSs would be directed to utilise the unspent funds for their approved projects while DPO, Kendrapara stated (June 2015) that due to shortage of manpower, the preparation of MES could not be made. DPO Dhenkanal and Koraput stated that steps would be taken to prepare the MES henceforth.

- The PRD instructed (October 2011) the PSs that the project proposal was to be approved by the ZP and the grants should be utilised by the PRIs. Scrutiny of records of nine test checked PSs revealed that the EO, ZP

released (December 2013 and March 2015) fund after approval of the projects, but the BDOs failed to commence 27 out of 151 projects with estimated cost of ₹ 74.65 lakh as selection of VLL through Palli Sabha was not done. As a result, ₹ 74.65 lakh remained blocked with these PSs as on the date of audit (**Appendix 3.1**). All the BDOs stated that the amount would be utilised for execution of approved projects soon.

- The TSFC recommended continuance of the grants like Kendu Leaf (KL), Cess on Land Revenue, etc. with increase in KL grant from ₹ 10 crore to ₹ 20 crore per year to create durable assets and permanent infrastructure for minimising the felt need of the community and to provide satisfactory level of service to them. Scrutiny of records revealed that five PSs and ZP, Dhenkanal, Koraput and DPO Koraput received ₹ 300.71 lakh⁸ towards KL grant, Cess Grant and PLI during the period 2011-15. However, the fund could not be utilised by any of the test checked PSs and ZPs due to non-maintenance of separate SFC cash book, non-analysis of the closing balance of the concerned cash books where the grants were kept and lack of initiative by the EOs and BDOs to utilise the funds.

Execution of projects

3.1.2.10 Utilisation of funds on inadmissible projects

PRD guidelines envisaged for utilisation of Untied Fund (PS share) and Devolution fund (GP share) for construction of CC Road and small culverts. Scrutiny of project records revealed that 28 projects were executed at a cost of ₹ 54.47 lakh as given in **Appendix 3.2** which were not admissible under the scheme. The projects such as concrete platform in Mahakalapada PS, concrete gate in Marshaghai PS and Rest sheds in Kumuliput GP, Jeypore PS etc. were executed in violation of guidelines.

The BDOs concerned stated (May-September 2015) that as the projects were approved in the PS meeting and aimed for better communication, these were executed. The replies are not acceptable as the scheme guidelines did not permit execution of such works.

3.1.2.11 Irregular selection of executants of works

As per para 7.1 of the Comprehensive Guidelines (February 2013), the works shall be executed by Village Labour Leader (VLL) selected by Palli Sabha. Audit noticed following irregularities in selection of executants for execution of different works:

- **Non-selection of executants in Palli Sabha:** In respect of Khurusia GP, Mahakalapada PS, Palli Sabha was not conducted for approval of the project and selection of VLL for execution of works. As a result, the entire devolution fund of ₹ 9.52 lakh remained idle. VLLs were to be selected from the approved panel for executing different works. But, in five test checked GPs of Jeypore PS, it was seen that VLL for each work was not chosen by Palli Sabha from that panel.

⁸ KL grant-₹132.51 lakh, Cess Grant-₹155.25 lakh and PLI-₹ 12.95 lakh

- **Execution of work by the VLL without approval of Palli Sabha:** In three out of eight test checked PSs, 23 works were executed with project cost of ₹ 49.74 lakh by the VLLs who were not selected by Palli Sabha.
- **Execution of work by the nominees of ZP member / Sarpanch:** In Parjang PS, it was seen that two executants were selected by the ZP / PS member for works costing ₹ 7 lakh and two works costing ₹ 4 lakh were executed by the executants selected by the Sarpanch of the GPs concerned of Mahakalapada PS.

3.1.2.12 Delay in execution of the project out of PS Share

PRD instructed (October 2011) all the PD, DRDAs that the projects sanctioned under Untied Fund should be executed during current financial year. Scrutiny of records of four test checked PSs revealed that the work orders were issued by the BDOs during March 2014 to May 2015 for completion within 15 to 45 days. In five test checked PSs, 20 works (**Appendix 3.3**) with an estimated cost of ₹ 56.50 lakh did not commence within the same financial year and there was delay of 38 to 833 days as the VLLs did not commence the work after receipt of work order. Due to delay in commencement of work, the possibility of escalation of cost cannot be ruled out.

3.1.2.13 Possible misappropriation of ₹ 2.71 lakh

In Hindol PS, for the project “Improvement and construction of CC Road from Gajaburi to Brahmanidevi” with a cost of ₹ 4 lakh, work order was issued (March 2013) in favour of JE who was given advance of ₹ 2 lakh along with 200 bags of cement worth ₹ 71,000 on the next day of issue of work order. Audit noticed that the work had not commenced till the date of audit (June 2015) even after lapse of more than 26 months from the date of issue of work order. During joint physical inspection, Audit noticed that only transparency board was erected. No action was taken by the BDO to commence the work. Though the JE had been transferred from the Block, neither the advance was adjusted / recovered nor cement issued for the project was utilised / refunded. The possibility of misappropriation of ₹ 2.71 lakh cannot be ruled out.

EO, ZP, Dhenkanal stated (August 2015) that BDO, Hindol had been instructed to inquire into the matter.

3.1.2.14 Execution of work without tender

PRD released ₹ 35 lakh to each block for the year 2014-15 for construction and maintenance of Block building and staff quarters with instruction to utilise the fund as per the guidelines issued in August 2013. Clause 7.2 of the guidelines states that where the project cost is more than ₹ 5.00 lakh, the work would be executed through tender process following Orissa Panchayat Samiti Accounting Procedure (OPSAP) Rules.

Scrutiny of records of two test checked PSs (Hindol and Parjang) revealed that the following works were executed departmentally by the Junior Engineer of the PS concerned without following the tender procedure.

Table 3.8: List of works executed without tender (₹ in lakh)

Name of the PS	Name of the works	Estimated cost	Work order No. & date	Stipulated date of completion	Status of work
Hindol	Construction of Staff Qrs. in Block colony	19.00	741/1.12.2014	Not available	In progress
Parjang	Construction of Rest shed at Parjang Block	6.00	451/20.11.2014	28.02.2015	In progress
	Construction of office building and meeting hall	15.00	880/21.03.2015	30.06.2015	In progress
	Construction of 'E' type Qrs. at Block Colony	20.00	881/21.3.2015	30.6.2015	In progress
Total		60.00			

(Source: Compiled by audit from the records of the field units)

BDO, Parjang stated (July 2015) that the works were executed departmentally for expediting completion of work and ensuring quality execution. The reply is not acceptable as the works were not completed till the date of audit.

3.1.2.15 Execution of work by splitting of estimates to avoid tendering

Scrutiny of the records of nine test checked PSs revealed that seven projects with estimated cost between ₹ 5.89 lakh and ₹ 29.00 lakh were splitted into 37 projects restricting the estimated cost between ₹ 1.5 lakh and ₹ 5 lakh to avoid tendering and were executed departmentally. Details of such works are given in **Appendix 3.4**.

BDO, Hindol stated (July 2015) that the amount was spent in separate projects, hence no split was made. The reply is not tenable since a single work was split into several parts to avoid tender process.

3.1.2.16 Non execution of cut off and side filling

CC Road guidelines 2010 provides that cut off is required to protect the bed from erosion / damage from sideways and to guard against possible cracks. Scrutiny of the estimate of 183 case records of nine PSs revealed that provision of cut off and side filling was included in the estimate. But during JPI of 172 works, it was noticed that 145 works did not have cut off and side filling as per specification though payment was made. In absence of cut off and side filling, the roads were exposed to cracks. Seven of these roads were found cracked / damaged during JPI.

All the BDOs replied (June and October) that cut off and side filling would be executed henceforth.

3.1.2.17 Execution of road with less cement concrete

As per GGY guidelines, the specification of sub-base was to be 200 mm of sand, CC (1:3:6) -100 mm and CC (1:2:4) - 100mm.

During JPI of 172 projects in nine PSs in presence of their technical personnel, it was noticed that in 27 cases, there was less execution of CC than the prescribed specification due to reduction of sub-base components in the estimate (**Appendix 3.5**). JEs of the concerned block measured the thickness during JPI and stated that



View of CC road in Beluria GP under Pattamundai PS damaged without cut off

executants had not adhered to the prescribed thickness. It was further observed that due to less execution of CC, following roads were found completely damaged.

Table 3.9: List of roads completely damaged (₹ in lakh)

Name of the ZP	Name of the PS	Name of the GP	Name of the work	Case record No.	Estimated cost	Actual cost
Kendrapara	Pattamundai	Beluria	CC Road from Aul ring road to Artha Das house	NA	2.23	2.23
		Balikana	CC Road from Badagana RD Road to Samilianta	3/13-14	2.00	2.00
Dhenkanal	Parjang	Kalda	Constn of Bahalsahi Harijansahi CC Road	2/13-14	2.00	2.00
Koraput	Pottangi	Rallegada	CC Road at Rallegada	8/14-15	2.50	2.50
		Maliput	CC Road from NH 26 to Jagannath Colony	1/13-14	2.00	2.00
		Deopottangi	CC Road at Salapada	316/11-12	2.00	2.00
	Jeypore	Dangarchinchi	CC Road at Barangput	2/12-13	2.00	2.00
		Dhanpur	CC Road at Dhanpur harijan sahi	1/12-13	3.23	3.23
Total					17.96	17.96

(Source: Compiled by audit from the reports of JPV)

Due to poor monitoring by higher authorities, there was less execution of CC. As a result, the assets created out of the SFC funds did not have longevity due to poor quality and were damaged within two years of completion. Further, the executant was paid in excess for the thickness which he had not executed.

The BDO, Marshaghai, Jeypore and Kotpad replied that necessary investigation would be made.

3.1.2.18 Non-use of plate vibrator and road roller for compaction of roads

Ministry of Road Transport and Highways (ORTH) specification envisages for immediate and thorough compaction by rolling after the material is laid and levelled. As per clause 7.2(b) of the GGY guidelines, during casting of concrete 1:3:6 (metal concrete) and 1:2:4 (chips concrete), plate vibrator is to be used. Scrutiny of the estimates of the projects executed out of SFC fund revealed that though hiring of the vibrator was paid in RA Bills of 147 out of 536 completed works, there was no supporting voucher / log book showing its use.

Similarly, clause 7.2(c) of the GGY guidelines states that if the length of the road is more than 100 metres, 8-10 tons of road roller shall be used for compacting the sub-base. However, Audit could not find use of road roller either in estimate or in RA bills of 215 projects executed in nine PSs which had a length exceeding 100 metres. Audit noticed during JPI that one CC road 'From Ramesh Swain House to Tukuni Rout House' having 130 metres length constructed at a cost of ₹ 3.23 lakh in Jayachandrapur GP was severely cracked. Thus, non-use of road roller was one of the reasons for damage of such roads.

The BDO, Parjang stated that due to non-availability of mechanised road roller, hand roller/plate vibrator was used.

3.1.3. Monitoring

3.1.3.1 Quality control, Inspection and Supervision Mechanism

As per the guidelines issued (August 2013 and July 2014) by PRD, the standing committee of ZP, PS and GP may supervise the works at ZP, PS and GP level respectively. In addition, Executive Engineer (EE) of PD, DRDA and AE of the block will inspect/supervise/check 25 *per cent* of the projects on random basis. The EO, ZP will supervise 10 *per cent* of the projects executed out of ZP share and the PD DRDA/Assistant PD (Tech) will inspect/supervise 10 *per cent* of the projects executed out of PS share on random basis. However, no records related to inspection could be shown to audit.

Standing Committee was not formed in test checked GPs. Although, at ZP and PS level committee has been formed, it did not supervise any of the projects executed out of TSFC fund.

Though the guidelines prescribe the PRD to test check the quality of the works through their Superintendent Engineer (SE), only one work was supervised by the SE during the SFC period based on the allegation submitted by the MLA, Padmapur. Further, it was noticed that no instruction was issued by PRD for test check of minimum number of works per year undertaken out of SFC Award by the SE.

3.2 Creation of Rural Infrastructure under Gopabandhu Gramin Yojana

3.2.1 Introduction

The Government of Odisha launched “The Gopabandhu Gramin Yojana (GGY)” scheme in October 2006 with a view to providing additional developmental assistance to the targeted 11 districts⁹ of the State not covered under the Backward Regions Grant Fund (BRGF). After inclusion of Bargarh district in BRGF scheme during 2012-13, the number of districts reduced to 10. The main purpose of the scheme was infrastructure development with the aim of providing Bijli, Sadak and Pani (Electrification, Roads and Water supply) to every revenue village. It was planned under the scheme to connect village with the nearest Pradhan Mantri Gram Sadak Yojana (PMGSY) or Other District Road (ODR) through concrete/black topped roads and in infrastructural development, to install street light electrification for which the maintenance was to be borne by the concerned Gram Panchayat and provide drinking water supply and irrigation source to villagers. The scheme stipulates that the funds provided in this Yojana would be of untied nature and supplement the programmes which are already available in the said sectors and provide synergy and convergence to other development programmes. Panchayati Raj Department is the Nodal department of the scheme and Blocks are the implementing Agencies. The Collector-cum-CEO and PD, DRDA are responsible for implementation of the scheme.

⁹ Angul, Balasore, Bargarh, Bhadrak, Cuttack, Jajpur, Jagatsinghpur, Kendrapara, Khurda, Nayagarh and Puri

Audit findings

3.2.2 Planning and implementation of schemes and programmes

Panchayati Raj (PR) Department prepares appropriate budget provision for this purpose. Each targeted district is to be provided with funds of ₹ 15 crore per annum for providing infrastructure such as Bijli, Sadak and Pani to every revenue village in the identified 10 districts. Accordingly, fund allocation of ₹ 57.58 crore, ₹ 63.73 crore and ₹ 57.51 crore was made to Jagatsinghpur, Balasore and Bhadrak districts respectively during the period 2012-13 to 2014-15.

3.2.2.1 Shelf of projects not prepared and project proposals not routed through Gram Sabha / Palli Sabha

As per Para-5(d) of the GGY guidelines (November 2006), preparation of village-wise shelf of projects was to be taken up in next five years by the BDO. Para 7 of the above guidelines envisages that the district plan was to be prepared as per guidelines for the District Plan during the Eleventh Five Year Plan.

Scrutiny of records of three DRDAs and nine PSs¹⁰ revealed that the District Plan was not prepared by any of the test checked DRDAs. Similarly, none of the test checked BDOs prepared the shelf of projects for onward submission to the District Level Committee (DLC) for its approval, due to which the PSs and DLC failed to prioritise the projects. In place of shelf of projects, Annual Action Plans (AAP) for the year 2012-13 were prepared and approved for execution of projects.

Further scrutiny of the AAPs of nine test checked PSs of Jagatsinghpur, Balasore and Bhadrak Districts for the period from 2012-15 revealed that Gram Sabhas / Palli Sabhas were not conducted by the Sarpanch in time and project proposals certifying the need of the locality were not submitted by them. Thus, the AAPs had been prepared at Block level in consultation with concerned MLAs. Due to this deficiency in planning, total length of roads, number of irrigation projects and rural electrification actually required for each GP on priority was not chalked out.

3.2.2.2 Non-formation of State Level Steering Committee

As per GGY guidelines 2006, a State Level Steering Committee (SLSC) was to be constituted under the chairmanship of Chief Secretary that shall have the overall responsibility for effective implementation, monitoring and evaluation of the impact of the yojana. However, Audit found that the said committee was not formed in the State.

Thus, an independent assessment of the scheme during the years was not made and Government largely relied on the existing monitoring mechanism which was not adequate as discussed in paragraph 3.2.6 of the Report.

3.2.2.3 Delay in submission of project proposal and approval of AAP

As per clause 5.3 of the guidelines (May 2013), the list of projects for the next financial year is to be routed through Palli Sabha and Gram Sabha which are required to list out the projects by the end of October each year and submit to the

¹⁰ Jagatsinghpur, Balikuda, Tirtol, Balasore Sadar, Bahanaga, Remuna, Bhandaripokhari, Bonth and Chandbali

Panchayat Samiti for prioritisation. The Samiti should finalise the prioritised list by the end of November and send the same to the Collector by end of December each year. The Collector is to get it approved by end of January in the District Level Committee on GGY. The approved list is to be communicated to the Block Office by the end of February.

On scrutiny of the approved AAPs of nine test checked PSs, it was observed that during the years 2012-15, the draft proposals from the GP level to the Block were not sent as per the schedule prescribed in the guidelines. During 2012-13, there was inordinate delay of 5 to 13 months in the approval of projects, while in 2013-14, the delay ranged between 1 and 12 months and during 2014-15, it was 9 to 14 months as shown in **Appendix 3.6**. Due to delay in finalisation of the project proposals, works were not completed within the same financial year and ultimately the works of the ensuing financial years got delayed due to lack of responsibility on the part of Panchayat Executive Officer in providing project list to the BDO.

While the BDOs of Jagatsinghpur stated (May-June 2015) that project proposals from GPs were not received in time, the BDOs of Balasore assured to observe the guidelines henceforth and submit the proposals in time.

3.2.2.4 Less importance given to electrification and water supply projects

As per GGY guidelines 2006, at least 90 *per cent* of funds earmarked for 'road sector', have to be spent on cement concrete or black topped roads. As per paragraph 3.2 of the comprehensive guidelines (May 2013), at least 60 *per cent* of funds out of total allocation should be spent on cement concrete or black topped roads. Apart from strengthening rural connectivity, due importance is to be given for electrification and water supply sectors.

Scrutiny of records revealed that a larger chunk of scheme funds were being spent on road sector whereas electrification and water supply sectors had received negligible attention. The following table explains the coverage of all three sectors.

Table 3.13: Statement showing coverage of projects

Sl. No.	Name of the DRDA	Total No. of Blocks	Total No. of projects taken up	Category of Projects					
				Road	%age	Electrification	Percentage	Water supply projects	Percentage
1	Balasore	12	2816	2466	87.57	348	12.36	2	0.07
2	Jagatsinghpur	8	4014	3998	99.60	16	0.4	0	0
3	Bhadrak	7	2649	2506	94.60	143	5.4	0	0

Source: Data collected from three test checked DRDAs

As could be seen from the above table, during 2012-15, execution of electrification projects ranged between 12.36 and 0.4 *per cent* in Balasore, Jagatsinghpur and Bhadrak districts. Water supply projects in these three districts remained negligible. In three test checked PSs of Jagatsinghpur, 99.6 *per cent* was spent on construction of CC Roads, 0.4 *per cent* on electrification and no water supply projects were taken up. Similarly, in three PSs of Balasore district, 100 *per cent* was spent on CC Road, while 94.6 *per cent* was spent on CC road and 5.4 *per cent* on electrification in three PSs of Bhadrak district. Due to emphasis on road

sector, the other sectors such as water supply and electrification were hampered. During joint physical inspection, people reported not being aware of the provision of electrification and water supply under GGY scheme.

The DRDA, Jagatsinghpur replied that very few proposals were received for electrification projects and no proposals relating to water supply/irrigation projects were received. It was further stated that the Palli Sabhas / Gram Sabhas had been demanding for more of CC road projects than other sectors.

3.2.2.5 Non-transparency in selection of projects and irrational distribution of funds

Clause 5.2 of the GGY guidelines aims at providing infrastructure including cement concrete road to every revenue village in the identified 10 districts of the State. Entitlement of every revenue village is decided as per its population.

PR Department prescribed (October 2011) fund limit which was applicable to all schemes for execution of CC road projects. Further, as per clause 5.5 of revised guidelines, the list of projects received from Gram Sabha Sashaktikaran Karyakrama (GSSK-2012) shall be used for 2013-14 onwards without deviation. The village population-wise fund limits are detailed as under:

Table 3.14: Details of revenue village-wise fund entitlement based on population
(₹ in lakh)

Population of revenue village	Existing ceiling for financial entitlement	Revised ceiling for financial entitlement
0-1000	3.00	5.00
1001-2500	5.00	7.00
2501-5000	7.50	9.00
5001-7500	10.00	12.00
7501-10000	10.00	12.00
Above 10000	15.00	16.00

(Source: GoO Notification, Guidelines of GGY and CC Road Scheme)

Audit noticed that eight out of nine test checked PSs did not observe the prescribed ceiling as detailed in the table given below:

Table 3.15: Statement showing non-distribution of funds to the villages

District	PS	No. of GPs	No. of villages	Total population
Balasore	Bahanaga	18	68	21934
	Remuna	27	211	48646
	Balasore Sadar	26	184	70776
Jagatsinghpur	Balikuda	5	11	3271
	Tirtol	9	11	2809
Bhadrak	Bhandaripokhari	17	42	19882
	Bonth	16	74	32484
	Chandbali	27	95	43368
Total			696	243170

(Source: Records of PSs)

As seen from the above table, out of total 2110 revenue villages, in test checked PSs, 696 (33 per cent) revenue villages with a population of 2.4 lakh were not benefitted with CC road projects despite lapse of three years as of March 2015.

Besides, the PSs allotted excess funds ranging from ₹ 0.1 lakh to ₹ 13.35 lakh to 302 villages while 1029 revenue villages were yet to receive its entitlement of fund during 2012-15.

From the year 2013-14 onwards, fund distribution was made by DRDAs on the basis of population as a criterion and taking GP as a unit. However, Audit found that the distribution of funds made to the GPs was not balanced as shown in the table given below:

Table 3.16: Statement showing distribution of funds to GPs

Name of the PS	Name of the GP	No. of villages	Population	No. of projects	Fund allocation (₹ in lakh)
Jagatsinghpur	Odisso	05	6312	11	27.16
	Patenigaon	05	4913	13	35.33
Balikuda	Titira	10	6524	06	24.43
	Krushnadaspur	16	6687	27	38.60
Tirtol	Katara	17	5772	24	36.23
	Mulisingh	06	6213	14	28.27
Balasore Sadar	Srikona	02	12118	04	17.00
	O.Saragan	25	6718	16	77.00
Bahanaga	Kharasahapur	03	9039	07	16.00
	Chitol	09	4609	10	29.00
Remuna	Remuna	17	13724	16	27.80
	Haripur	19	11439	11	39.50
Bhandaripokhari	Dakhinabad	10	10568	18	38.00
	Nirgundi	8	5567	9	21.00
Bonth	Adia	14	6954	10	27.50
	Purusandha	12	10349	6	14.00
Chandabali	Baligan	6	9744	23	50.65
	Gopinathpur	10	13114	13	29.50

(Source: Annual Action Plan of respective PSs)

From the above table, it could be seen that maximum number of projects (27 projects) with fund allocation of ₹ 38.60 lakh were allotted to Krushnadaspur GP of Balikuda block which had a population of 6687, while minimum number of projects (four projects) with fund allocation of ₹ 17 lakh were made to Srikona GP of Balasore Sadar block which had a population of 12118.

While accepting the fact, the BDOs assured (July 2015) to take care of the deficiency in future.

3.2.3 Financial Management

- Audit found that the PD, DRDAs of three test checked districts received ₹ 179.01 crore during the period 2012-15 under GGY which was released to the respective blocks. During the above period, nine test checked PSs utilised ₹ 52.27 crore out of available fund of ₹ 86.42 crore. The percentage of utilisation ranged from 47 to 76 as detailed in **Appendix 3.7**. The poor utilisation of funds was mainly due to delay in approval of projects and non-selection of Village Level Leader (VLL) for execution of projects in time.
- Scrutiny of records of nine sampled PSs revealed that as against expenditure of ₹ 52.27 crore, UCs were submitted for ₹ 41.53 crore while UCs for ₹ 11.43 crore were pending as detailed in **Appendix 3.8**.

- Scrutiny of records in nine test check PSs revealed that in six PSs¹¹, expenditure of ₹ 34.74 lakh was made (May 2012 and March 2015) out of GGY scheme funds towards labour payment, purchase of stationary, death claim to cyclonic storm victims and re-construction of boundary wall and approach road to ICDS Building in deviation of the scheme guidelines. The amount spent was not recouped to the GGY account till the date of audit.
- Rule 40 of OPSAP prohibits advances to contractors and executants under any scheme. Further, Finance Department issued instructions in March 2002 to treat any amount remaining unadjusted for more than one year without valid reasons as loss to the auditee organisation and Government. Scrutiny of records revealed that advance of ₹ 84.62 lakh was given to nine persons/agencies between 2009-10 and 2014-15 and remained unadjusted till the date of audit as detailed in *Appendix 3.9*.
- On scrutiny of the 277 case records of nine test checked PSs, it was noticed that in 265 cases vouchers in support of purchase of sand, metal and chips of ₹ 112.13 lakh were not attached in the concerned case records as detailed in the *Appendix 3.10*. At the time of passing for payment of work bills, neither the Accounts Officer nor the BDO insisted on production of the same for which the actual utilisation of the materials could not be ascertained. Running Account Bills were prepared and all payments including deduction of royalty were made as per material statements submitted by JE/GPTA.

3.2.4 Execution of CC Road projects

3.2.4.1 Status of works

As per guidelines, the approved projects are required to be completed during the said financial year so that the projects of the next financial year will be started in due time. However, out of total 34,556 works sanctioned during 2012-13 to 2014-15 in the State (10 districts), 29,288 works were completed at the end of 2014-15 and 5268 works were in progress (18 *per cent*). The year-wise break up is given in the following table.

Table 3.17: Status of projects during 2012-15 in the State

Year	No. of projects sanctioned			Total	No. of projects completed	No. projects in progress
	Bijli	Sadak	Pani			
2012-13	877	9149	20	10046	8336	1710
2013-14	1101	11525	453	13079	12201	878
2014-15	840	10410	181	11431	8751	2680
Total	2818	31084	654	34556	29288	5268

(Source: Data collected from Panchayati Raj Department)

Scrutiny of records in nine test checked PSs revealed that during the years 2012-13 to 2014-15, 3312 projects were taken up out of which 2106 projects (64 *per cent*) were completed. Of the remaining, while 919 works were in progress (28 *per cent*), 287 projects had not started as of March 2015 (*Appendix 3.11*).

¹¹ Balasore Sadar, Bahanaga, Remuna, Bhandaripokhari, Bonth and Chandabali

Due to delay in approval of action plan and lack of supervision and monitoring of the scheme by the district authorities, large number of projects remained incomplete beyond stipulated date of completion.

3.2.4.2 Non-preparation of drawing & design of the road projects

As per Para 7.2 of the GGY guidelines, the concerned JE/GPTA shall verify the site personally and prepare the drawing and estimate of the concrete road as per the approved plan which should be approved by the Assistant Engineer for according technical sanction to the project.



CC Road from RD Road to vill- Ghadimula under Kantilo GP constructed during 2012-13

Scrutiny of case records of 313 projects revealed that in 200 cases drawing and design were not prepared and in other cases, the same drawing was used without considering the site requirement. As a result, roads were damaged prematurely as shown in the above image. This indicates the lapses in the part of AE of the PS, since Technical Sanctions were accorded without drawing and design.

3.2.4.3 Execution of work without confirming to specification

During Joint Physical Inspection (JPI) of the CC Road from Baguli Das house to Cuttack-Paradeep main road under Jadatira GP constructed during the year 2012-13 with cost of ₹ 1.67 lakh, Audit found that the road was constructed with 76 metre length, 3 metre width and 6.5 inches thickness against 2.7 metre width and 8 inches thickness as provided in the estimate. Due to non-adoption of minimum required thickness of 8 inches, the road was found damaged and cracks were found all over the road. Hence, due to bad quality of work, CC road constructed did not benefit the public.



CC Road from Baguli Das house to Cuttack-Paradeep Main road under Jadatira GP

3.2.4.4 Selection of executants without quorum in Palli Sabha

As per GP Manual, to ensure transparency and public participation, it was decided to hold Palli Sabhas in the concerned village where the work is going to be taken up. The proceedings of Palli Sabha should invariably be with the Samiti where the BDO should verify the quorum certified by the Executive Officer and award the work to the VLL whom the Palli Sabha nominates. The attendance in Palli Sabha was required to be made 1/10th of the population in the village.

Scrutiny of records of nine PSs of three districts revealed that quorum in the selection of VLL was deficient in 61 out of 313 projects. However, this was neither watched nor scrutinised by the BDOs before issue of work order.

In cases where the quorum was deficient, fresh Palli Sabha was required to be conducted for selection of the VLL. But it was observed that the VLLs were selected and work orders issued to execute the work without desired quorum. Hence, transparency in the selection of executants was not maintained.

3.2.4.5 Lack of adherence to non-negotiable items under the Scheme

As per clause 7.2 of the GGY guidelines the non-negotiable items are as follows:-

- a) The width of the road has to be 3 to 3.5 metres with expansion joint at each 5 metres interval.
- b) During casting of concrete like C.C (1:3:6) (metal concrete) and C.C (1:2:4) (chips concrete), plate vibrator is to be used. Without plate vibrator, no casting of concrete should be made.
- c) If the length of the road is more than 100 meter, then 8 to 10 tons' road roller should be used for compaction of the sub-base.
- d) Efforts should be made for three *per cent* cambering of the road.
- e) Minimum seven days curing for the concrete road is to be made and the concerned JE/GPTA has to ensure it.

Durability of cement concrete roads depends mainly on adoption of quality measures as stipulated in the above guidelines. Joint Physical Inspections (JPI) made by the Audit along with the JE/GPTA/AE of the Blocks revealed that the non-negotiable items had been compromised in the six test checked blocks as discussed below.



View of road from NH 5 to Basuli Tahkurani in village Salabani, Mangalpur

- JPI revealed that out of 109 projects, 30 roads were having length more than 100 metres. As per the guidelines, use of road roller was required for compaction of the sub-base. But in none of the cases, road rollers were used. This was verified from the Running Account bill that hire charges towards use of road roller were not claimed in the said 30 roads and the JE/GPTA and AE under whose supervision the works were executed expressed their inability to use the road roller, due to which 16 out of 30 such roads had developed multiple cracks.
- The minimum required width of the road i.e. three metres was not maintained in 36 out of 109 cases. Even in a road (Talakadhia, Rasulpur GP) having length of 156 metres, the width was kept as low as 2.25 metres.
- Minimum curing was not made in seven cases, use of plate vibrator was not found in 51 cases, cambering of three *per cent* was not done, minimum

seven inches thickness of the road was not maintained in 24 cases and expansion joint at each 5 metre interval was not made in 17 cases.

3.2.5 Execution of Electrical works

3.2.5.1 Irregularity in payment of ₹ 9 crore to Central Electricity Supply Unit (CESU) and North Eastern Electricity Supply Company (NESCO) from GGY Scheme for rural electrification

As per clause 7.3 of the GGY guidelines, out of the list of projects received from Palli Sabha / Grama Sabha, the details of required electrical infrastructure i.e. replacement of burnt transformers and supplementing transformers of higher capacity should be prepared by the respective power distribution companies by conducting field survey. Further, clause 7.4 of the said guidelines requires the proposal to be prepared block-wise and the draft proposal along with the project estimate to be submitted by the concerned company to the BDO of the concerned Block for obtaining approval of Block Committee.

The Commissioner-cum-Secretary in PR Department instructed (July 2012) all the Collectors of 10 GGY districts to allocate GGY funds not exceeding ₹ 3 crore per district under DESI (Development programmes for Energy System Improvement) Scheme for replacement of burnt transformer and supplementing additional transformers wherever required and to follow the guidelines scrupulously before execution of the projects. Accordingly, PD, DRDA Jagatsinghpur released (January 2013) ₹ 3 crore to CESU. Similarly, PD DRDA Balasore and Bhadrak also released ₹ 3 crore each to NESCO for the above purpose.

On the basis of the UCs submitted by the CESU and NESCO, Audit observed the following irregularities in execution of aforesaid works.

(i) Non-conducting of survey: Due to non-conducting of survey by CESU and NESCO, no survey report along with estimated cost was submitted before the BDO of the concerned Block. Hence without field survey report and estimated project cost, the projects submitted by supply units were approved by the DLC in deviation of the guidelines.

It was observed that three test checked DRDAs had released (2012-15) funds of ₹ 3.00 crore each to CESU and NESCO respectively for replacement of burnt transformers and supplementing high capacity transformers without any estimate. UC records revealed that CESU in Jagatsinghpur replaced 100 transformers utilising ₹ 1.44 crore as against approved list of 70 in PSs of Jagatsinghpur, Balikuda and Tirtol. Similarly, NESCO replaced 35 transformers as against 52 transformers in PSs of Balasore Sadar, Bahanaga and Remuna at a cost of ₹ 0.82 crore.

The CESU and NESCO incurred the expenditure without following the list of projects approved by the DLC. Number of transformers in different capacities replaced / installed was less than the approved numbers and the amount released for the purpose was adjusted towards spreading of more length of Aerial Bundle cables than the approved length, thereby depriving the people of remaining villages of the electrification facilities.

(ii) Non-formation of Block Committee: As required under para 7.5, a committee with BDO, Tahasildar and the EE/AE of the Distribution Company will be constituted at the Block Level by the Collector to examine all the proposals received from Distribution Company.

Audit of nine test checked blocks revealed that the Block Committee was not formed in any of the blocks. But the EE, JED Jagatsinghpur submitted the project proposals in absence of the block committee, while three PSs of Balasore submitted the proposals with recommendations of the MLAs and the proposals were approved by the DLC. Hence approval of the project without formation of Block Committee indicated lack of transparency in the selection process.

3.2.5.2 Execution of electrical work departmentally without inviting tender

As per clause 6.4 of the GGY guidelines, electrification work is specialised in nature and not to be done through VLL route. Registered electrical contractors empanelled by the Executive Engineers of Power Distribution Companies (PDC) are to be engaged by the BDOs for this purpose. The estimates are to be approved by the competent authority of the PDC.

Scrutiny of records in Balikuda PS revealed that six projects with total cost of ₹ 8.45 lakh were taken up during 2014-15 for installation of High Mast lights (HMLs) out of which four works were completed with payment of ₹ 5.50 lakh. It was decided by the BDO to execute all works departmentally without inviting tender from the registered and empanelled electrical contractors of PDC. The estimates were prepared by the JE, Electrical, R.W. Electrical Section, Cuttack and sent the same to concerned BDOs without taking approval of PDC. Supply of material including installation was executed by the JE of the block through one Engineering firm which was selected by collecting spot quotation without calling tender.

Similarly, in Tirtol PS, three high mast lights were installed at a cost of ₹ 3.00 lakh by obtaining spot quotations without inviting tender. This was in violation of the scheme guidelines as well as provisions of OGFR.

Admitting the fact, BDO Balikuda assured (May 2015) to execute works by registered contractors and purchase materials through tender process. BDO Tirtol (June 2015) also assured to execute all electrical installation works as per the GGY guidelines in conformity with tender procedure.

3.2.5.3 Obtaining undertakings from the GPs before installation of street light

As per clause 3.3 of the guideline, electrification on items such as street lighting, lighting at places of mass congregation, electrification of Government residential/non-residential schools etc. is to be taken up from GGY funds on receipt of written undertaking from the GP concerned or Government Institution (in case of schools etc.) that the recurring expenses such as energy charges, repair and maintenance etc. shall be borne by them. Without such undertaking, no electrification work shall be taken up.

In Balikuda PS, Audit observed that out of six projects of HMLs during 2014-15, four projects were completed. However, except one GP, no other GPs submitted the undertakings due to which, after completion of the works, the projects could

not be handed over to the GPs. In Tirtol PS, scrutiny of three completed projects revealed that though Sarpanch of the Tarajanga GP had given undertaking to ensure proper maintenance of the street lights installed in three villages, the fact of bearing energy charges was however, not mentioned in the undertaking. Since undertakings were not received from the GPs, HMLs were not energised and the desired benefit could not reach the local people even after incurring an expenditure of ₹ 8.50 lakh.

3.2.6 Monitoring

3.2.6.1 Quality control, Inspection and Supervision Mechanism

As per para 7.1 of the GGY guidelines, the District Administration shall ensure construction of quality roads. The AE of the block shall check 100 *per cent* of all CC roads followed by 10 *per cent* by Assistant Project Director (Tech), 50 *per cent* by BDO, 10 *per cent* by PD, DRDA and one *per cent* by Collector.

Scrutiny of records of nine test checked PSs revealed that Collector, Balasore had prepared only one schedule of inspection while Collector, Jagatsinghpur and Bhadrak did not prepare any schedule of inspection during 2014-15. Further, the BDOs and AEs had not maintained any tour diary in support of their field visits.

Audit noticed that due to lapses in supervision during execution, quality of the projects could not be ensured and roads were damaged prematurely.

3.2.6.2 Non-conducting of Social Audit

As per clause 9.1 of the guidelines, Social Audit and Vigilance shall be encouraged at grassroots level. Scrutiny of records in test checked PSs revealed that social audit was not conducted in any of the nine PSs during 2012-15 and the Vigilance Committee was also not formed at the grassroot level by the DRDA to observe effective functioning of projects. Thus, the works could not be executed in a transparent manner.

3.3 Payment on fake vouchers and loss of revenue

Payment on fake vouchers by Panchayat Samitis resulted in loss of Government revenue amounting to ₹ 55.67 lakh towards VAT.

As per Rule 96 of Orissa General Financial Rules and circular of February 2012 of the Finance Department, it should be ensured that goods purchased are of required quantity and specification and have been purchased from reliable supplier at a reasonable price. As per Finance Department circular of July 2005, no dealer shall be entitled to undertake any contract with any Government or local authority unless he obtains a Value Added Tax (VAT) clearance.

From test check of records of 15 Panchayat Samitis¹² (PSs), Audit found that in 591 projects executed departmentally during 2011-15, the BDOs concerned had paid an amount of ₹ 4.46 crore to the Village Labour Leaders / PS officials on production of 756 vouchers related to purchase of construction materials such as

¹² Bahanaga, Balasore Sadar, Balikuda, Bhuban, Danagadi, Dharmasala, Gondia, Hindol, Jagatsinghpur, Mahakalapada, Marshaghai, Parjang, Pattamundai, Remuna and Tirtol

cement and MS Rod. As per above provision, a voucher should have receipts / bills with TIN/SRIN¹³ number showing deduction of VAT.

However, cross verification of these vouchers with the information available in the web portal of Commercial Tax Department, Government of Odisha revealed the following:

- Out of 1015 vouchers test checked, 235 vouchers of 11 PSs¹⁴ had contained a TIN which was not existent or the TIN belonged to some other trader. On these 235 vouchers, ₹ 2.06 crore were paid to the executants including VAT of ₹ 24.10 lakh which would not have been credited to Government account without a valid TIN.
- Only 259 out of 1015 vouchers had TIN while 521 vouchers of 14 PSs¹⁵ had not contained any TIN. However, VAT of ₹ 31.57 lakh was charged on these 521 vouchers valuing ₹ 2.40 crore which was paid by the executants.

The PS-wise details of the vouchers test checked vis-à-vis findings of Audit are given in **Appendix 3.12**.

Further, the quantity of materials purchased by 328 executants through these fake vouchers were doubtful since the materials were not taken to the stock but shown as utilised in the projects and the genuineness of the suppliers / dealers was neither verified by the executants before purchase of materials nor by the BDOs before making payment against the cash memos. Thus, the payment of ₹ 4.46 crore on 756 (235 + 521) fake vouchers was not in order. There was also a loss of revenue of ₹ 55.67 lakh (Fake TIN: ₹ 24.10 lakh and No TIN: ₹ 31.57 lakh).

The concerned BDOs assured to exercise checks on the vouchers in future whereas the BDO, Bhuban stated to refer the fraudulent TIN cases to the Commercial Tax Department to take necessary action against the traders.

3.4 Infructuous expenditure

Check Dams constructed at a cost of ₹ 14.05 crore in 24 Panchayat Samitis failed to serve the intended purpose due to non-adherence to Government instructions.

MGNREG Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas by the process of providing employment through works which will mitigate the causes of chronic poverty such as drought, deforestation and soil erosion. Thus, the scheme not only expected to improve livelihood of rural poor but also to create durable assets by way of execution of projects such as Rural Connectivity, Water Conservation and Excavation of New Tank etc.

¹³ Taxpayers' Identification Number (TIN) and Small Retailers Identification Number (SRIN)

¹⁴ Bahanaga, Balasore Sadar, Balikuda, Bhuban, Hindol, Mahakalapada, Marshaghai, Parjang, Pattamundai, Remuna and Tirtol

¹⁵ Bahanaga, Balikuda, Bhuban, Danagadi, Dharmasala, Gondia, Hindol, Jagatsinghpur, Mahakalapada, Marshaghai, Parjang, Pattamundai, Remuna and Tirtol

The Check Dam (CD) Scheme was launched (September 2010) in the State by Water Resources Department (WRD) which aimed at in-stream conservation of water for irrigation, drinking water, ground water recharging etc. in small streams around 10 metres or less. WRD also circulated an abstract estimate of ₹ 18.38 lakh with all components for construction of check dam.

Subsequently, Panchayati Raj Department decided (January 2012) to construct check dams under MGNREGS and issued detailed instructions. It limited the project cost to ₹ 5.00 lakh at Block level (in exceptional cases upto ₹ 7-8 lakh with approval of District Collector), excluded some items like fixing of MS channel, shutter between piers, cement concrete M-20 and labour for MS reinforcement of RCC work and limited RCC M-20 work.

The important instructions issued by PR Department for construction of check dams and conservation of water *inter alia* contained:

1. While selecting a site, main emphasis is to be given on proper use of water through people's participation. Farmer's associations are to be formed so that they can be involved from the beginning.
2. For feasible sites selection and design and the estimate of CD, engineering personnel of the local Minor Irrigation (MI) Division are to be consulted. A joint visit of engineering personnel of local MI division and Block should be taken up for finalisation of the check dams.
3. After completion of the projects under MGNREGS, CDs to be handed over to local farmer groups or *Pani Panchayats* for proper management. Farmers' committee is to ensure placing and removal of wooden gates / sand bags placed with CD to impound running water in the stream and release of flood / flow water.

Test check of case records under MGNREGS of 24 Panchayat Samitis¹⁶ revealed that 347 CDs were executed during 2010-15 with a total expenditure of ₹ 14.05 crore of which 167 projects remained incomplete and 23 projects were abandoned after expenditure of ₹ 5.99 crore and ₹ 0.76 crore respectively. Only 157 projects (45 per cent) were shown as completed. The details of projects executed and expenditure incurred on these projects are given in the table below:

Table 3.19: Statement showing projects executed and expenditure incurred (₹ in lakh)

Sl. No.	Year of execution	No. of Projects	Project complete	Expenditure incurred	Project incomplete	Expenditure incurred	Project abandoned	Expenditure incurred	Total expenditure incurred
1	2010-11	1	0	0.00	1	3.47	0	0	3.47
2	2011-12	133	76	357.50	55	201.57	2	6.84	565.91
3	2012-13	166	53	236.33	92	311.45	21	68.32	616.10
4	2013-14	42	27	129.34	15	58.97	0	0	188.31
5	2014-15	5	1	7.00	4	23.94	0	0	30.94
Total		347	157	730.17	167	599.40	23	75.16	1404.73

(Source: Compiled by Audit from the concerned case records)

Further, out of 167 incomplete projects, 62 projects were in ongoing stage which indicated that execution of 105 projects had been discontinued temporarily. Scrutiny of case records relating to construction of check dams revealed the following deficiencies:

¹⁶ Athagarh, Bari, Bamara, Binjharapur, Chandrapur, Danagadi, Delanga, Dhankauda, Ganjam, Gondia, Jagatsinghpur, Jamankira, Kamakshyanagar, Khandapada, Khurda, Kotpad, Nischintakoili, Naktideula, Nayagarh, Odagaon, Phulbani, Rengali, Sinapali, andTangarpalli

Table 3.20: Status of check dams executed

(₹ in crore)

Sl. No.	Status of Check Dams	No. of Check Dams taken up	Estimated cost	Amount spent	No Provision made for fixation of sluice gate	Not handed over to Pani Panchayat/ local farmers' group	Estimate made without help of EE/ AE/JE of MI Division
1	Completed	157	7.77	7.30	120	146	121
2	Incomplete	167	8.49	5.99	155	NA	123
3	Abandoned	23	1.11	0.76	23	NA	2
Total		347	17.37	14.05	298		246

(Source: Compiled by Audit from the concerned case records)

- There was no people's participation and involvement of farmers' associations during selection of site for proper use of water. Site selection was made by PS engineers without consulting engineering personnel of local MI Division. Lack of field survey and feasibility assessment before estimation and execution also attributed to 190 CDs remaining incomplete and abandoned. This was confirmed during joint physical inspection of 107 work sites where the CDs were constructed at sites not feasible for irrigation. Even one CD in Jenapadadesh GP, Athagarh was found constructed inside jungle area with no cultivable land alongside.



Check dam of Khali Tailabandh of Jenapadadesh GP under Athagarh PS constructed in a jungle

- As found from records, in 246 out of 347 projects, the design and estimate of CDs were prepared without the help of EE/AE/JE of MI Divisions. There was no joint site verification by engineers of MI Division and Block and the drawings wherever, supplied by the MI division were not scrupulously followed by the Blocks. During joint physical inspection, Audit noticed that the basement area of the CDs was parallel with the nallah bed. Further, the alongside embankments of nallah was much higher than the CD height. Catchment area for drainage of water was higher than the basement level of CD and irrigation field channels were not constructed for which possibility of irrigation was remote. This indicated that site survey prior to estimation was not done by the JEs.
- As mentioned earlier, there was no provision in the estimates of PR Department for fixation of channels and sluice gates in the check dams. Due to this, storage and control of the flow of water as required for irrigation and other intended purposes were not possible.
- Except in 11 cases, CDs were not handed over to local farmers or Pani Panchayats after completion for proper management. Since the CDs were



View of check dam in Jari GP under Binjharpur PS where catchment area is higher than the CD height

not handed over to farmers, they had not installed any wooden gates or put sand bags in CDs for conservation of water in absence of sluice gates. This was also confirmed during joint physical inspection.

The aim of creating durable assets also failed due to improper site selection and deficient construction of check dams as 55 *per cent* of projects remained incomplete and abandoned. Further, there is no possibility to conserve and release the water for irrigation purpose even in case of completed projects as the projects were not handed over to users.

Since the check dams were unable to store water needed for irrigation and were not useful for any other purposes envisaged under the scheme except from creating some wage employment, the material cost of 347 projects (calculated at average 80 *per cent*) amounting to ₹ 11.24 crore became infructuous. The reasons for incurring such infructuous expenditure attributed to non-adherence to Government instructions.

The BDOs stated that the check dams were constructed as per model estimates supplied by the Government of Odisha with ₹ 5.00 lakh within which provisions for sluice gate and field channel was not possible.

The reply of the BDOs was not acceptable as in 246 cases, the design and estimate of CDs were prepared without the help of engineering personnel of MI Divisions and site survey was not done. Had the projects been handed over to user groups after completion, wooden gates / sand bags etc. would have been put by them for storing water.

Part- B

URBAN LOCAL BODIES

Chapter-IV

An overview of Urban Local Bodies

4.1 Introduction

The 74th Amendment to the Constitution of India mandated all State Governments to operationalise Urban Local Bodies (ULBs), as units of self-government. The Orissa Municipal Act, 1950 was amended (2007) for this purpose and the Orissa Municipal Corporation Act was enacted (2003) to ensure devolution of powers and responsibilities to ULBs, in relation to the subjects listed in the Twelfth Schedule of the Constitution.

Table 4.1: *Statistics of urban population*

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

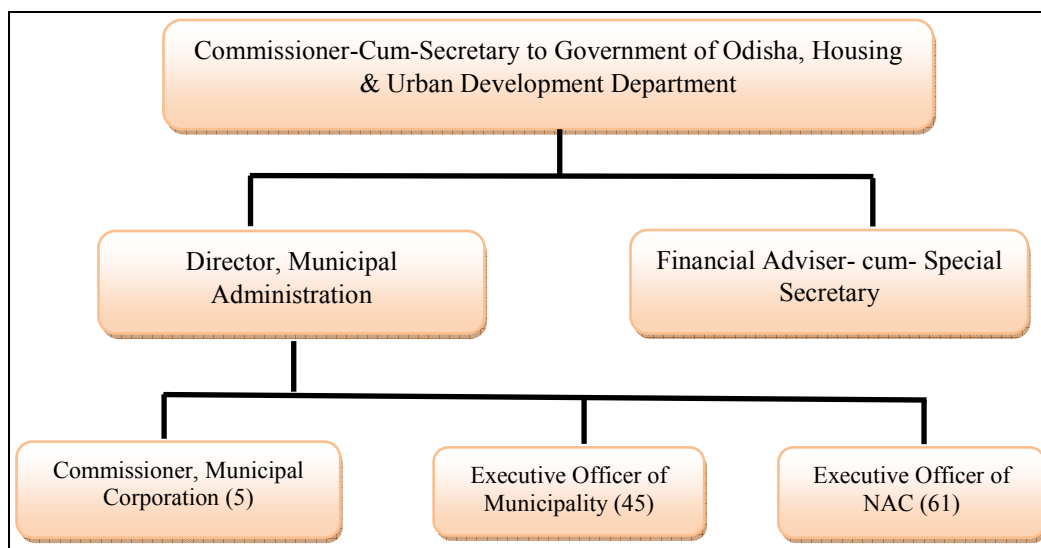
(Source: Census of India 2011)

To provide better amenities to citizens residing in the cities of the State and to make the cities/towns beautiful, clean, living worthy and developed, 111 ULBs were set up in the State under three categories i.e. Municipal Corporations (5), Municipalities (45) and Notified Area Councils (NACs) (61) as of March 2015.

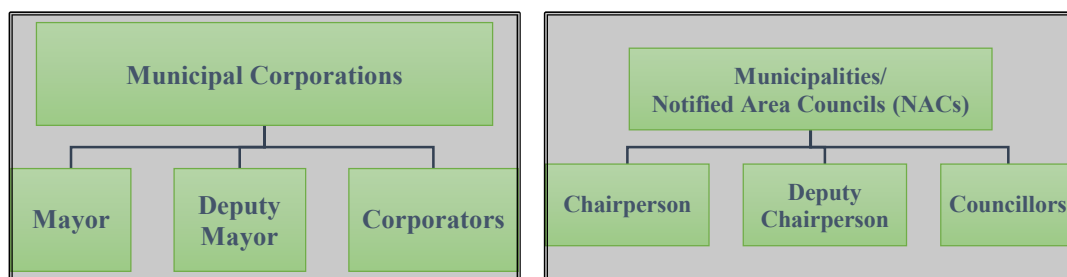
4.2 Organisational setup of ULBs

Each ULB is divided into a number of wards, each represented by a Ward Councillor. While a Municipal Commissioner is the executive head of Municipal Corporation, an Executive Officer functions as the executive head of a Municipality or NAC. Municipal Commissioner of Municipal Corporation and Executive Officer of Municipality and Notified Area Council report to Director of Municipal Administration. At the State level, the Housing & Urban Development (H&UD) Department coordinates the functioning of all ULBs. The Municipalities and NACs are functioning under the provisions of the Orissa Municipal Act, 1950, while Municipal Corporations are functioning under the Orissa Municipal Corporation Act, 2003.

The organisational hierarchy of the ULBs is indicated below.



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



Each Municipal Corporation is headed by a Mayor and each Municipality/ Notified Area Council by a Chairperson, who are elected amongst the Corporators/ Councillors of the respective ULBs.

4.3 Functioning of ULBs

The Twelfth Schedule (Article 243 W) of the Constitution of India envisages that the State Government may by law, empower the municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government. It listed 18 functions to be devolved upon the ULBs by the State Government. The State Government claimed to have already devolved 17 out of 18 functions as of March 2014 and the remaining one i.e. roads and bridges was not yet devolved. It was, however, noticed that out of these 17 functions, seven functions¹ were not yet devolved as they continued to be discharged by various line departments of the State Government.

¹ Urban planning including town planning, Regulation of land use and construction of buildings, Water supply for domestic, industrial and commercial purposes, Fire services, Urban forestry, protection of environment and promotion of ecological aspects, Safeguarding the interests of weaker sections of society including handicapped and mentally retarded

4.4 Staffing pattern of ULBs

Every Municipality/NAC shall have an Executive Officer, an Engineer and a Health Officer who shall be the State Government employee, appointed to the Municipality and their work shall be subject to the general powers of supervision of the Chairperson. A Corporation may have the officers, namely Commissioner, City Engineer, City Health Officer, Chief Finance Officer, Chief Auditor, Law Officer, Secretary, Deputy Secretary, Recovery Officer, Environment Officer and such other officers as may be prescribed. However, every Corporation may with the previous sanction of the Government and as per provisions of the Act determine its establishment.

4.5 Functioning of various Committees

As per Orissa Municipal Corporation Act, 2003, there shall be standing committee for dealing with-

- i) Taxation, Finance and Accounts;
- ii) Public Health, Electric Supply, Water Supply, Drainage and Environment;
- iii) Public Works;
- iv) Planning and Development;
- v) Education, Recreation and Culture;
- vi) Licenses and appeals;
- vii) Contracts;
- viii) Corporation Establishment;
- ix) Grievances and Social Justices and
- x) Settlement of mutual disputes between two adjoining corporations.

The Corporation may, with previous sanction of the Government, constitute additional Standing Committees for such purposes, as the Corporation thinks fit. Similarly the Municipalities may appoint Committees to assist them in the discharge of their duties.

There shall be constituted at the level of every district a District Planning Committee (DPC) to consolidate the plans prepared by the Municipalities in the district and to prepare a draft development plan for the district as a whole.

A DPC shall consist of 20 members, 16 members shall be amongst the elected members of the Zilla Parishad and elected Councillors of the Municipalities in the district; and four members to be nominated by the State Government as follows:

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

4.6 Fund flow arrangement at ULBs

For execution of various developmental works, the ULBs mainly receive funds from the State Government towards compensation and assignment revenue and grants from the Government of India (GoI) and State Government. Besides, all collections such as tax on holdings, trades, rent on shops and buildings and other fees and charges etc., constitute the revenue receipts of the ULBs. The allocation of funds to the ULBs for the years 2012-13 to 2014-15 is indicated in the table below:

Table 4.2: Receipt of funds by ULBs

(₹ in crore)

Grant type	Municipal Corporation			Municipality			Notified Area Council		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Compensation and Assignment	147.62	229.52	235.16	169.99	239.57	237.32	101.54	133.11	125.08
Plan	145.35	214.24	450.03	41.69	218.67	217.41	140.46	70.41	290.56
Non-plan	34.47	50.89	74.44	55.15	71.69	85.40	30.17	49.48	51.91
Total	327.44	494.65	759.63	266.83	529.93	540.13	272.17	253.00	467.55

(Source: Information furnished by H&UD Department)

4.7 Recommendations of State Finance Commission (SFC)

The Third State Finance Commission had requested to devolve ₹ 1120.21 crore for the five year period 2010-15 in favour of ULBs for providing public services and undertaking local development. The Commission recommended empowering of ULBs to augment their own income through levy of new taxes/fees such as Property tax, Fines on unauthorised use of land under the municipal jurisdiction, Share in cess on conversion of agricultural land for non-agricultural uses, Capital/property transactions fee and Trade licence fees.

The Fourth SFC therefore, recommended to the Fourteenth Finance Commission to augment the State's Consolidated Fund to supplement the resources of the local bodies over and above the fund recommended for transfer from the State's resources. Total resource transfer (from State resources) to ULBs recommended by the Fourth SFC for the period 2015-20 is as under:

Table 4.3: Resource transfer recommended by the SFC

(₹ in crore)

Distribution mechanism	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20 Total
Devolution	164.60	164.60	164.60	164.60	164.60	823.00
Assignment of Taxes	540.00	644.00	708.40	779.24	857.16	3528.80
Grant-in-aid	59.61	80.48	178.10	180.94	184.08	683.21
Total	764.21	889.08	1051.1	1124.78	1205.84	5035.01

(Source: Report of the Fourth SFC)

4.8 Recommendations of the Thirteenth Finance Commission (FC)

As per request of the Third SFC, Thirteenth Finance Commission recommended provision of ₹ 514.88 crore to the ULBs. In addition, the State Government recommended ₹ 302.50 crore to the ULBs as a part of devolution

of its own resources. However, a sum of ₹ 362.89 crore² has been released to the ULBs towards Thirteenth Finance Commission Awards during the period 2010-11 to 2014-15.

Following recommendations were made by the Fourteenth Finance Commission:

- Basic and Performance Grants to the ULBs may be distributed in the ratio 80:20;
- State Government should apply the distribution formula of the SFC for distributing the grants among the three categories of the ULBs;
- Review of existing rules to facilitate levy of property tax;
- Empower local bodies to impose advertisement tax and improve own revenues from its source;
- Review the structure of entertainment tax and take action to increase its scope to cover more and newer forms of entertainment; and
- ULBs to rationalize service charges to recover operation and maintenance costs;

4.9 Audit mandate

4.9.1 Primary Auditor

As per Rule 149 of the Regulations on Audit and Accounts, the Director, Local Fund Audit (DLFA) is the primary Auditor of ULBs in the State. The DLFA conducts audit of ULBs of all 30 districts of the State through 23 District Audit Offices. The position of audit of ULBs by DLFA as on March 2015 is given in the Table follows.

Table 4.4: Position of audit of ULBs by DLFA as on March 2015

Year	Total number of ULBs planned for audit	Total number of ULBs audited	Shortfall	Reasons for shortfall
2012-13	103	97	6	Shortage of staff
2013-14	103	55	48	Shortage of staff, Phailin, natural calamity and bandh in Western Odisha
2014-15	103	103	Nil	--

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

4.9.2 Audit by Comptroller and Auditor General of India

On the recommendation of the Thirteenth Finance Commission, the State Government entrusted (April 2011) the Comptroller and Auditor General of India (CAG) with audit of accounts of all the categories of the ULBs of the State under Section 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Accordingly, accounts of two Municipal Corporations, eight Municipalities and three NACs for the year 2014-15 have been audited during 2015-16. CAG was also requested to provide Technical Guidance and

² General Area Basic ₹ 329.41 crore, Special Area basic ₹ 11.05 crore, Share from forfeited performance grant (General area) ₹ 21.41 crore and Share from forfeited performance grant (Special area) ₹ 1.02 crore

Support (TGS) to the State Audit Agency viz., Local Fund Audit (LFA) for audit of Local Bodies. The Government notified (July 2011) the parameters of the TGS agreed to, in the Official Gazette. Under TGS arrangement, 1136 LFA staff were imparted training during 2014-15 covering topics on Performance Audit guidelines, audit methodology, issue analysis, preparation of study design matrix, writing of model POM and audit of schemes implemented in ULBs.

4.10 Reporting arrangement

4.10.1 Audit Report of Primary Auditor

DLFA is the Primary Auditor and authorised to conduct annual audit of financial accounts of the ULBs. As per recommendations of the Thirteenth Finance Commission and provisions of OLFA (Amendment) Rules, 2015, the DLFA shall prepare and submit to the State Government not later than 30th September of each year a consolidated report for the previous year, to be laid before the State Legislature. Annual Report for 2013-14 has been laid in the Odisha Legislative Assembly on 27 August 2015.

4.10.2 Annual Technical Inspection Report (ATIR) on ULBs

Annual Technical Inspection Report (ULBs) for the year ended March 2014 was issued to the Government on 31 March 2015. The amendment to the OLFA Rules, enabling the ATIR to be laid in the State Legislature was published on 31 March 2015.

4.11 Response to audit observations

As on 31 March 2015, 3132 paragraphs relating to 212 Inspection Reports (IRs) issued by the Office of the Accountant General (G&SSA), Odisha to different ULBs remained unsettled for want of required compliances.

The Office of the Accountant General (G&SSA), Odisha issued eight Annual Technical Inspection Reports (ATIRs) on Urban Local Bodies relating to the years 2005-06 to 2012-14, wherein major audit findings on the transactions of ULBs of the State were reported. Even after meetings with the Commissioner-cum-Secretary of the Department and demi-official correspondence with Chief Secretary to Government of Odisha, no information on remedial action taken by the Government on any of the paragraphs of these eight ATIRs was received as of March 2015.

CHAPTER V

PERFORMANCE AUDIT

CHAPTER V PERFORMANCE AUDIT

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

5.1 Delivery of Public Services by Cuttack Municipal Corporation

Executive Summary

Cuttack is one of the oldest cities of the State with population of 6.45 lakh. The city suffers from perennial problems like flooding and water logging due to high water levels of two surrounding rivers and unsystematic drainage system. Cuttack Municipal Corporation (CMC) had not carried out public service delivery in a planned and systematic manner as it had neither prepared any long term or short term plan document nor formed ward committees for bottom level planning. In none of the core service sectors like water supply, sewerage, storm water drainage, solid waste management etc., CMC could achieve the service level benchmarks set by Government of India.

- Only 43.19 per cent of the total households had access to piped water. A water supply project approved under UIDSSMT valuing ₹ 78.65 crore and to be executed by PHEO, a para-statal agency could not take off for 18 months due to delayed release of funds by CMC.*
- The coverage of sewerage service among 1,17,020 households of the city was 11 per cent only confining to 10 out of 59 wards. As against the requirement of 91.50 MLD STPs, the city has only one functional STP of 33 MLD capacity.*
- The untreated sewage of the city were being discharged into surrounding rivers through sewer lines, channel and open drains thereby polluting river water.*
- The storm water drains of the city are open and not free-flowing due to frequent choking and encroachment. The drains cause water logging in rainy season leading to several health hazards.*
- CMC had been lagging behind in solid waste management activities such as collection, segregation and disposal into landfills and the outsourced agency was given undue benefit of ₹ 2.34 crore.*
- CMC failed to implement the provisions of Food Safety and Standards Act due to non-fixation of targets by the Designated Officer and 79 per cent of food business operators continued their business without license and registration.*
- The issue of birth and death certificates was delayed by the City Health Officer in 65 per cent cases due to inadequate manpower and infrastructure.*
- CMC could not provide 602 low cost units to the urban poor even after sanction of ₹ 25.83 crore by GoI under RAY.*

CMC failed to provide and maintain adequate welfare measures in fields like CC roads, public toilets, night shelters, slaughter houses, public parks, prevention of food adulteration, town bus services etc. due to inefficient monitoring mechanism.

5.1.1 Introduction

Cuttack is one of the oldest cities in the State of Odisha. The city became a Municipal Corporation in August 1994 and was divided into 59 wards for easy delivery of municipal services to the city. The Odisha Right to Public Services Act, 2012 provides for delivery of public services to the citizens within the given time limit and for matters connected therewith and incidental thereto.

Cuttack Municipal Corporation (CMC) delivers public services like Solid Waste Management, sanitation, slum development work, maintenance of parks and plantations, issue of licenses, traffic and junction improvement, capital works and maintenance of roads, drains and hospitals. The Engineering Section of CMC is responsible for creation of capital assets including operation and maintenance. Two major para-statal agencies i.e. (1) PHD-I under the Public Health and Engineering Organization (PHEO) (2) Odisha Water Supply and Sewerage Board (OWSSB) carry out all the capital works of the respective sectors owing to lack of manpower and technical capabilities of the ULB to take charge of the functions. The PHD and OWSSB are under the administrative control of Housing and Urban Development Department (HUDD) of the Government of Odisha. Assets for large projects created by PHD and OSWWB (sewerage and drainage) are handed over to CMC for operation and maintenance.

5.1.2. Audit Objectives

Audit aimed to assess whether:

- there existed a plan for management of public services and effective enforcement of rules and regulations to ensure adherence to service level benchmarks and if so, whether it was implemented efficiently to give the desired output
- funds were managed economically, efficiently and effectively towards delivery of public services
- CMC had addressed the public service issues of the city in the most effective manner observing economy and there was an equitable distribution of public benefits providing better living conditions within a safe and clean environment
- an efficient monitoring system was in place to identify the deficiencies in the delivery of public services.

5.1.3. Audit criteria

- Odisha Municipal Corporation (OMC) Act, 2003 and Odisha Municipal (Accounts) Rules, 2012
- Municipal Solid Waste Management (SWM) Rules, 2000
- Guidelines of Cement Concrete (CC) Road scheme and Harishchandra Sahayata Yojana (Assistance to poor and destitute for last rites)
- Odisha Right to Public Services Delivery Act, 2012

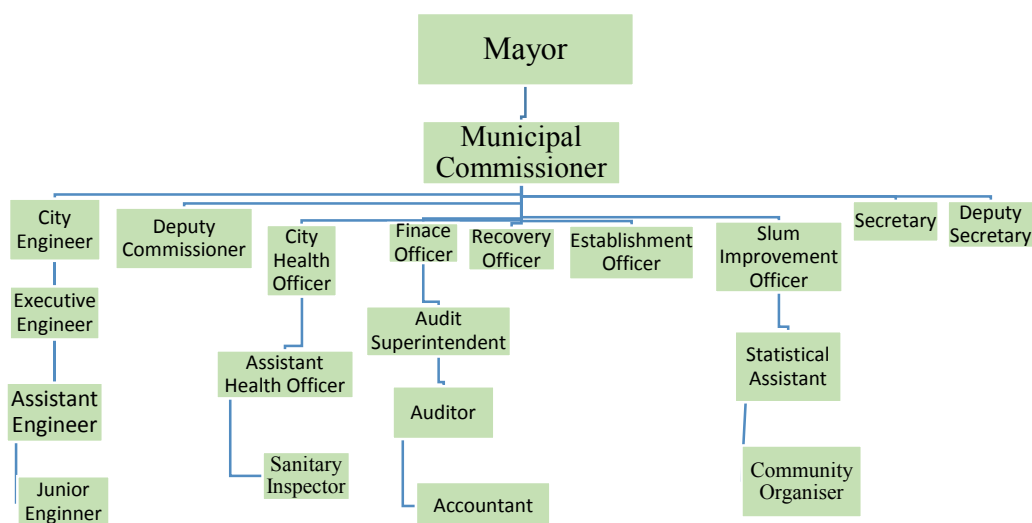
- Hand Book of Service Level Benchmark (SLB), Government of India and
- OPWD Code and Manual and Circulars issued by HUDD from time to time

5.1.4. Scope and Methodology of Audit

The Performance Audit commenced with an entry conference with the Commissioner of CMC on 22 May 2015 covering the period 2010-2015 during May 2015 to July 2015. Audit scrutinised records in HUDD and CMC and also visited two para-statal agencies and six offices¹ concerned with delivery of public services. Besides, Joint Physical Inspections (JPI) of assets created by CMC for public services delivery were conducted in presence of the officials. Photographs of assets/facilities were taken wherever necessary and level of satisfaction of beneficiaries were ascertained through questionnaire. The findings of Audit were discussed in an Exit Conference held on 5 November 2015 with the representatives of HUDD and Commissioner of CMC.

5.1.5. Organisational structure

The organisational set-up of Cuttack Municipal Corporation is as follows.



The PHEO and OWSSB along with another para-statal agency i.e. Cuttack Development Authority (CDA) undertake the responsibility of key functions such as Town and Urban Planning and Water supply and Sewerage. Directorate of Municipal Administration (DMA) as the apex administrative organisation under HUDD, regulates *inter alia* functioning of all municipal corporations of the State.

¹ Executive Engineer, Public Health Department (PHD), Odisha Water Supply and Sewerage Board, Executive Engineer, Roads and Buildings, Chief District Medical Officer, Commissionerate of Police, Cuttack, Commissioner of Commercial Tax, Cuttack Development Authority, Japan International Corporation Agency (JICA) and Regional Officer, State Pollution Control Board (SPCB), Cuttack

Audit findings

5.1.6 Planning

5.1.6.1 Preparation of Integrated Corporation Development Plan (ICDP)

Section 499 of Orissa Municipal Corporation Act 2003 requires every Municipal Corporation to formulate Integrated Corporation Development Plan (ICDP) to ensure adequate and sustainable level of infrastructure and services for all its residents. The ICDP shall be reviewed triennially and Annual Action Plan (AAP) is to be prepared from it.

Audit scrutiny revealed that CMC had not prepared the ICDP. As a result, it could not identify the needy sectors and bridge the gap between better serviced areas and slum areas. The service level benchmarks in sectors like water supply, sewerage, storm water drainage and solid waste management could not be achieved as discussed in subsequent paragraphs. Audit further noticed that as per 2001 census, there were 77 unauthorised slums in the city which increased to 83 in 2011 while the number of authorised slums remained static at 181 in 2011. The Corporation failed to provide required services to the increasing slums in a systematic and timely manner.

5.1.6.2 Non-preparation of Annual Action Plan

Section 500 of OMC Act requires that the overall plan (ICDP) is to be implemented through AAP and budget allocation made accordingly. Ministry of Urban Development, Government of India while recommending service level benchmarks in July 2008 also advised to prepare action plan for achievement of targets for supply of adequate and safe drinking water, proper sewerage system and treatment, drainage system, SWM etc. The AAP is to plan priorities based on the level of service deprived or service gaps pertaining to the wards neighbourhood.

Scrutiny of records revealed that due to non-preparation of ICDP, CMC had not prepared AAPs for delivery of basic need based services in an equitable manner. Only budgetary allocations were made and got approved by the Government. Due to non-preparation of AAP, CMC was not able to assess the requirement of citizens and increase coverage of services in lagging sectors like water supply, drainage, sewerage etc.

The Government stated that (November 2015) a city development plan was under preparation and CMC would prepare ICDP and AAP from the financial year 2015-16 in order to execute the developmental works.

5.1.6.3 Formation of Ward level committee

Section 21 of OMC Act requires that in every Corporation area, a Ward Committee for each ward is to be constituted to take all possible measures provided under the Act and overall controls of the Corporation for public health, sanitation, street lighting and conservancy in the ward and protection of ecological aspects etc. The Committee should comprise members like the Corporator, an elector of the ward (nominated by the Mayor) and the Commissioner or any other official of the Corporation authorised by the Commissioner.

Scrutiny of records revealed that CMC had not constituted any ward level committee. Whenever it received funds from HUDD and other sources, a working action plan was prepared and the funds were utilised. The genuine needs of the people of the ward could not reach the forum of the Council.

The Government stated (November 2015) that based on the recommendation of different standing committees duly approved in the Council, the works were taken up and formation of ward level committees would be placed before the Council.

The reply is not acceptable as standing committees are constituted to settle mutual disputes (between two adjoining corporations) and inter-disputes, which cannot replace ward level committees.

Financial management

5.1.7 Funds management

The Corporation received ₹ 676.28 crore during 2010-11 to 2014-15 towards public services and safeguarding interest of its subjects from Government, non-government and own sources. CMC could spend ₹ 593.21 crore from the above funds. The position of receipt and utilisation of funds towards delivery of public services by CMC during last five years from 2010-15 is given in the following table.

Table 5.1: Receipt and Utilisation of funds for delivery of public services by CMC during 2010-15
(₹ in crore)

Year	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Budget provision by CMC	27.57	24.59	25.67	45.58	44.34	167.75
Budget provision by Government	71.15	45.58	15.78	154.37	154.78	441.66
Total	98.72	70.17	41.45	199.95	199.12	609.41
Fund released by CMC	21.90	24.33	23.69	24.28	16.07	110.27
Fund released by Government	36.28	21.31	11.18	113.61	46.30	228.68
Total receipt of CMC	58.18	45.64	34.87	137.89	62.37	338.95
Total Expenditure	48.41	37.62	61.74	83.54	87.58	318.89
Percentage of expenditure	83	82	177	61	140	94

(Sources: Cash books of CMC)

Against the budget provision of ₹ 609.41 crore towards delivery of public services during 2010-11 to 2014-15, total receipt of CMC was only ₹ 338.95 crore (55.62 per cent) and ₹ 318.89 crore (82 per cent) was spent out of available fund of ₹ 390.52 crore (includes OB of ₹ 51.57 crore as on 1 April 2010). Certain issues in management of fund are discussed below.

5.1.7.1 Blocking of scheme funds

As per Finance Department instruction (October 2012), while choosing the maturity period of fixed deposits, it should be seen that funds are not locked up beyond the financial year so as to ensure that liquidity is maintained in the account by pre-mature withdrawal from fixed deposit.

Scrutiny of financial records at CMC revealed that funds of eight schemes amounting to ₹ 62.53 crore were kept in 51 bank accounts in fixed deposits for 54 to 1238 days. The schemes include IGNOAP/MBPY, UIDSSMT, JICA,

RAY² and deposit works etc. Total fund available under these schemes during 2010-15 was ₹ 158.59 crore out of which CMC spent ₹ 96.06 crore. The fixed deposit included an undisbursed amount of ₹ 4.20 crore sanctioned under IGNOAP/MBPY relating to the period May 2012 to December 2014. The amount remained unutilised because CMC could not achieve the target. Though funds under different schemes are provided for optimum utilisation for timely benefit of the public, CMC neither utilised funds nor refunded the unspent amount to the Government / funding agencies. Audit further found that CMC earned interest of ₹ 4.56 crore during May 2012 to December 2014 and treated it as its own fund.

The Government stated that fixed deposit accounts had since been closed. However, the fact remains that CMC without planning effective utilisation, locked up these funds instead of providing public services.

5.1.7.2 Non-refund of unspent balance by R&B Division

As per provisions under Rule 170 and 171 of OGFR Vol-I and conditions stipulated in sanction orders of different schemes, the scheme funds allotted during a financial year should be utilised during that financial year and UCs thereon should be submitted to the funding authority on the actual expenditure incurred by 30th June of the succeeding financial year along with refund of unspent balances, if any.

Scrutiny of records revealed that CMC had transferred an amount of ₹ 45.67 crore (under UIDSSMT centrally sponsored scheme) to Executive Engineer, Roads and Buildings (EE, R&B), Cuttack for construction of major roads in the city during 2008-09 to 2012-13 as deposit works. Audit found that EE, R&B completed (August 2013) the works within ₹ 36.47 crore. However, the balance amount of ₹ 9.19 crore was not refunded (August 2015).

Government, CMC stated (November 2015) that funds remained unspent with R&B Division due to non-execution of drain component of the DPR. CMC would execute the said work for which R&B had agreed to make payment.

Execution of works/programmes for delivery of public services

5.1.8 Water supply to city dwellers

OMC Act, 2003 makes it obligatory for the Corporation to manage and maintain all Corporation water works adequately through construction or acquisition of new works for sufficient supply of water for public and private purposes. However, this responsibility is discharged by PHEO, which is responsible for construction and maintenance of the city water supply system and also for planning, designing, construction, operation and maintenance of the water supply system and management of waste water schemes including their transportation and distribution.

² IGNOAP- Indira Gandhi National Old Age Pension, MBPY- Madhu Babu Pension Yojana, UIDSSMT- Urban Infrastructure Development Scheme for Small and Medium Towns, JICA- Japan International Co-operation Agency, RAY- Rajiv Awas Yojana

Scrutiny of records and information furnished to Audit by PHEO revealed that the CMC with population of 6.45 lakh³ had 59 wards comprising 1,17,020 households as of March 2015 which included 264 slums with 1.29 lakh population. The requirement of water per day for this population was 87.03 million litres per day (MLD) whereas the water production was 103.12 MLD. However, as of March 2015, only 50,539 households (43.19 *per cent*) had been supplied piped water of 136 LPCD. The remaining households could not be supplied with piped water in the absence of piped water supply network despite availability of water.

Further scrutiny revealed that a project “Improvement of Water Supply to Cuttack City” under UIDSSMT was taken up (September 2013) and out of the total approved project cost of ₹ 78.65 crore, HUDD released (March 2014) ₹ 34.33 crore in favour of CMC with the instruction to transfer the said funds to the E.E, PHD-I for implementation. However, CMC kept the scheme funds in fixed deposit till November 2014 due to delayed preparation of DPR by EE, PHD-I. The project was in bidding stage (October 2015). Thus, failure of CMC in monitoring timely submission of DPR and transferring the funds subsequently led to non-commencement of project even after two years.

5.1.8.1 Non-achievement of Service Level Benchmarks

As per Odisha State Urban Water Supply Policy, 2013, all individuals should get at least 135 litres of water Per Capita per Day (LPCD). Besides, the Service Level Benchmarks (SLB) prescribed (July 2008) by the Ministry of Urban Development (MoUD), Government of India *inter alia* specified 100 *per cent* coverage of water supply connections, 100 *per cent* metering of water connection, 24 hours supply of water, 100 *per cent* cost recovery in water supply services etc. Government of Odisha adopted this national benchmark for water supply services in 2010-11.

Table 5.2: Achievement of CMC against SLBs as of March 2015

Sl. No.	Service level benchmark indicators	As per central target	Achievement
1	Coverage of direct water supply connections (in <i>per cent</i>)	100	43.19
2	Per capita supply of water	135 lpcd	136
3	Extent of metering of water connections (in <i>per cent</i>)	100	0.05
4	Extent of Non-Revenue Water (in <i>per cent</i>)	20	55.72
5	Continuity of water supply	24 hours per day	3.90
6	Efficiency in Redressal of customer complaints (in <i>per cent</i>)	80	91.36
7	Quality of water supplied (in <i>per cent</i>)	100	100
8	Cost recovery in water supply services (in <i>per cent</i>)	100	42.46
9	Efficiency in collection of water supply related charges (in <i>per cent</i>)	90	83.00

(Source: Government Notification)

CMC did not achieve the SLBs in respect of five out of nine indicators, while in three indicators, achievement is more than the target. The reasons for non-achievement of these SLBs were non-implementation of water supply system by the PHD and non-release of funds by the CMC to the PHD for implementation of the scheme.

³ The population of 6.45 lakh has been calculated by PHEO as per decadal growth as of March 2015

Quality of water: The water test reports of three PH Sub-Divisions⁴ of Cuttack PH Division for August 2014 revealed bacterial contamination in four out of 60, four out of 76 and 10 out of 57 samples respectively. Also, District Health Surveillance Report furnished by Chief District Medical Officer, Cuttack revealed that during August 2012 to May 2015, there were 397 reported cases of diarrhoea, jaundice etc. affecting 62,222 populations where the cause of diseases was attributed to intake of contaminated water supplied through pipe connection and tube wells. Thus, both CMC and PH failed to monitor the quality of water for safety of the city dwellers.

Contrary to the above facts, HUDD notified (December 2013) quality of drinking water supplied by CMC as 100 *per cent* in SLB indicators.

The Government stated (November 2015) that due to non-availability of adequate infrastructure at PHEO level, the SLB could not be achieved.

5.1.8.2 Irregularities in sinking of tube wells

Cuttack city with a population of 6.45 lakh has three sources of water supply i.e. piped water supply, tube wells and own source (bore well, open wells and tube wells). While large dia tube wells had been managed by PHEO, hand pump tube wells had been installed and managed by both CMC and PHEO. As of March 2015, the city has 3232 tube wells (CMC-2764 and PHEO-468). During 2012-15, CMC installed 87 tube wells in the city.

Audit scrutinised Asset Register of tube wells and conducted joint physical inspection (JPI) in one Ward (No. 30) with the field/technical staff of CMC concerned to check the actual execution and functioning of tube wells. Asset Register of CMC revealed that the Ward had 56 tube wells. During JPI it was noticed that:

- The officials of CMC involved in JPI could not identify five tube wells as per the locations mentioned in the Asset Register indicating doubtful expenditure of ₹ 3.5 lakh incurred on these tube wells.
- Three out of remaining 51 tube wells were defunct. In three cases, the water was yellowish bearing metallic taste and four tube wells were in private land and under personal use of citizens. This indicated that feasibility survey was not done before execution of projects. This was also substantiated by study of 60 case records where no such study was recorded.

5.1.9 Inadequate sewerage system

Sewerage is one of the core services of public services delivery. In Cuttack city, OWSSB executes major sewerage projects and after completion, hands them over to CMC for operation and maintenance. The city does not have a functional sewerage network. The existing sewerage system was very old and covered only two parts of the Corporation area spread over 10 wards⁵ covering 12285 households (11 *per cent* of total households of the city). OWSSB, PHD

⁴ PH Sub Division, Water supply PH Sub-Division and Medical PH Sub-Division

⁵ Ward No.3 (part), Ward No.4, 5 and 6, Ward No.29, 30 31, 32, a part of 35 and 36

and CMC were maintaining sewerage lines. However, only 4,872 (four *per cent*) consumers availed the sewerage service. Sewerage projects in Cuttack city benefitting 0.90 lakh households are being executed under Japan International Cooperation Agency (JICA) project.

5.1.9.1 Non-achievement of SLBs in management of sewerage system

The SLBs prescribed by the GoI in management of sewerage system and treatment of waste water was as shown in the following table.

Table 5.3: *Achievements against the SLBs of Sewerage system as of March 2015*
(In per cent)

Sl. No.	SLBs indicators	National benchmarks	Achievement
1	Coverage of toilets	100	65
2	Coverage of sewage network services	100	25
3	Collection efficiency of sewage network	100	65
4	Adequacy of sewage treatment capacity	100	65
5	Quality of sewage treatment	100	100
6	Extent of reuse and recycling of waste water	20	0
7	Extent of cost recovery in sewage management	100	50
8	Efficiency in Redressal of customer complaints	80	100
9	Efficiency in collection of sewerage charges	90	75

(Sources: Records of HUDD, Government of Odisha)

From the above table, it could be seen that the CMC could achieve the SLBs only in respect of two indicators namely quality of sewage treatment and efficiency in redressal of customer complaints and in respect of extent of reuse and recycling of waste water the achievement was nil. Though CMC has shown the quality of sewage treatment as 100 *per cent*, the State Pollution Control Board (SPCB) in its Inspection Report (August 2013) had mentioned direct discharge of untreated sewage to Kathajori and Mahanadi rivers at five⁶ other points, thereby polluting the river water. As per SPCB analysis report of water samples collected from different locations of river banks, the parameters like Biochemical Oxygen Demand (BOD) ranged between 40.0 and 140.0 mg/l and Total Coliform Bacteria (TC) ranged above 16 lakh MPN/100ml while the prescribed standard was 30.0 mg/l and 5000MPN/100ml respectively. This confirmed presence of high number of faecal bacteria making the water at rivers unfit for human consumption and causing potential risk to ground water contamination.



Sewage from CDA discharged to river Kathajori through a nalla near a college

Apart from above, scrutiny of records in respect of functioning of Sewerage Treatment Plant (STP) revealed that:

- As against the average flow of 91.50 MLD (6.10 lakh population X 150 lpcd), the city has two STPs of 37.50 MLD (Matgajpur-33 MLD and CDA, Bidanasi-4.5 MLD) for treatment of sewage. However, the STP, CDA, Bidanasi was defunct since January 2011. Thus, the available capacity of STP was only 36 *per cent*.

⁶ Jobra, Kaliaboda, Khannagar, Police Colony & Wireless Centre and Sikharpur

- During 2010-2015, STP Matgajpur also broke down for nine months.
- De-silting of all major drains and branches was carried out once in a year by CMC but the said exercise was not sufficient as CMC had not ensured full clearance and timely disposal of silt.

The Government assured (November 2015) that after completion of JICA project, the left out households would be covered. The Government further stated (November 2015) that as per orders of Hon'ble High Court and guidelines of SPCB, untreated sewage is not discharged to river Kathajori and Taladanda Canal. However, JPI confirmed the discharge of untreated sewage to river/canal.

5.1.10 Storm water drainage system

5.1.10.1 Inadequate drainage system

According to Section 287 (1) of the OMC Act, the Commissioner is to maintain and keep in repair all Corporation drains as and when authorised by the Corporation in this behalf, construct such new drains as may from time to time, be necessary for effectually draining out the filthy water from the city.

As reported under the draft City Development Plans of Cuttack made by State Urban Development Agency, IIT, Kharagpur and MoUD, Government of India, the accumulation of sand over the years in the riverbed has resulted in the riverbed being comparatively higher than the average level of the town area. From check of records and JPI of 17 out of 316 medium and major surface drains of the city, the following observations are made by Audit:



View of encroached drain near Christ College

- All drains of the city had remained uncovered except the fact that the same were covered only at the entrance of the residents' houses.
- 1,12,148 households had been releasing their sewage to 316 open storm water drains. The drains get choked in rainy seasons due to unsystematic solid waste disposal, causing water logging in the city, creating insanitary conditions and health hazards. As notified by the HUDD on SLB, there were 82⁷ incidences of water logging during 2011-15. As seen from the notification, water logging has been reduced from 40 in 2011-12 to five in 2014-15 as against SLB of zero.
- The width of the drains at merger points was narrowed down to contain the flow of water. Due to public encroachments (one noticed near Christ college) and insufficient channel hydraulics, smooth passage and de-silting of the drains was hampered. There was obstruction in the waterway due to growth of weeds, bushes, water hyacinth etc. inside the drains. The existence of pucca houses, slums at the bank of the drains left no scope for periodic cleaning and maintenance.

⁷ 40 incidences in 2011-12, 32 in 2012-13, 5 in 2013-14 and 5 in 2014-15

- To prevent the back flow of river waters from entering the city during floods, the drain was controlled by four sluice gates⁸ at its discharging end into river Kathajodi and Mahanadi. CMC had 155 pump sets of its own and 73 sets arranged from other sources⁹ and as per report of the Chief Engineer, OWSSB, the pumping capacity available with CMC is 1723 HP which is inadequate to pump out storm water during heavy rainfall. Thus, during heavy rains/floods, CMC failed to clear the logged water from the city due to improper management of sluice gates and insufficient number and capacity of water pumps.

Thus, in absence of a full-fledged drainage system, the city suffered from perennial issues like water logging, environment pollution and health hazards.

The Government stated (November 2015) that Odisha Integrated Sanitation Improvement Project (OISIP) was being implemented under JICA assistance to improve drainage and sewerage system of Cuttack City. CMC has prepared and submitted proposal for construction/reconstruction/renovation of balance BSWCs/ MSD/ Surface Drains under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Yojana.

5.1.11 Municipal solid waste management

5.1.11.1 Non-achievement of SLBs

The achievements of CMC against service level benchmarks set by GoI in Solid Waste Management (SWM) are shown in the table below.

Table 5.4: Achievement of CMC against the SLBs of SWM (2014-15)

<i>(In per cent)</i>			
Sl. No.	SLBs indicators	National benchmarks	Achievement
1	Household level coverage of SWM services	100	70
2	Efficiency of collection of municipal solid waste	100	60
3	Extent of segregation of municipal solid waste	100	0
4	Extent of municipal solid waste recovered	100	0
5	Extent of scientific disposal of municipal solid waste	100	0
6	Extent of cost recovery in SWM services	100	40
7	Efficiency in Redressal of customer complaints	80	70
8	Efficiency in collection of SWM related user charges	90	50

(Sources: Government notification and CMC files)

CMC was not able to achieve any of the SLB indicators prescribed by GoI. The deficiencies in management of municipal solid waste in the State had already been pointed out in Paragraph 2.2 of ATIR on Urban Local Bodies for the year ended March 2014 in which CMC was a test checked unit. In three SLBs i.e. segregation, recovery and scientific disposal, the achievement was zero and the irregularities persisted as pointed out below.

- **Segregation of MSW:** CMC had never segregated waste in separate colour bins in any locations of the city as noticed during JPI. No public awareness programme was organised for segregation of waste.

⁸ At Khan Nagar, Jobra, CDA and Matagajpur

⁹ JICA-17, Utkala Bipanana Samiti-36, Volvo Dealer-1, MCL, Talcher-1, Odisha Fire Service-16 and ODRAF-2

- **Collection of waste:** Collection of waste ranged between 42 and 55 *per cent* during 2010-15. The uncollected waste dumped at the public places/ roads and stray animals were throwing the wastes all around which created insanitary conditions polluting the environment.
- **Storage facilities:** CMC did not have adequate storage facility and the outsourced agency failed to provide required number of facilities leading to open and unscientific disposal in the surroundings.
- **Processing of MSW:** CMC had not made any processing arrangement through prescribed technologies of three R's-Reduce, Recycle and Re-use.
- **Disposal of MSW:** There was no system or practice followed for disposal of MSW in a scientific manner. Waste was dumped at the landfill site at Sati Chaura.
- **Undue benefit to a firm:** As mentioned in the ATIR for the year ended March 2014, CMC made excess payment of ₹ 1.67 crore to a firm due to its adherence to minimum assured quantity of 150 TPD. The irregularity continued and during April 2014 to March 2015, for transportation of 54,456 MT of garbage CMC made a payment of ₹ 11.59 crore which led to excess payment of ₹ 33.81 lakh. Similarly, non-maintenance of records like log book, inspection report, dumping yard register etc. raised doubt about mechanical sweeping for which CMC had paid ₹ 5.08 crore to the said firm. For the year 2014-15, the undue benefit extended to the firm was calculated as ₹ 2 crore.

The Government stated (November 2015) that due to non-availability of adequate infrastructure, the SLBs could not be achieved. Necessary bins would be provided for segregation of MSW in subsequent budget and CMC with support of Bhubaneswar Municipal Corporation would take steps for creation of processing unit at landfill site. It further stated that the concept of Tipping Fee was not known at the time of entering into agreement with the firm and suggestion of audit would be taken care of at the time of preparing fresh agreements.

5.1.12 Health Care management in the city

5.1.12.1 Inadequate health management

As per Section 501 of OMC Act, 2003, the Corporation shall build health management capacities to improve service delivery to the poor. The City Health Officer (CHO) of a Corporation is to look after the health service of the urban poor by arranging placement of adequate number of health personnel. CMC runs seven allopathic and three homoeopathic dispensaries in the city as of March 2015 for delivery of health care services.

Scrutiny of records revealed following discrepancies in providing health facilities:

- Though the population of Cuttack city had increased from 5.15 lakh (Census 2001) to 6.10 lakh (Census 2011) at decadal growth of 17.66 *per cent*, the number of dispensaries remained the same. As per the

information furnished by CMC, as against sanctioned strength of 29 health personnel, 24 personnel were available in these dispensaries since 2002. The requirement of medical staff as per population has not been reviewed and staff posted by the CMC.

- Out of three homeopathic dispensaries, Deula Sahi dispensary (Ward No.7) could not be traced in joint physical inspection. Further scrutiny of records revealed that earlier the dispensary was functioning under a homeopathy Medical Officer (MO) in a community centre. The CHO stated that the dispensary housed at the community centre was not suitable and steps had been taken to run the dispensary in a rented building at Deula sahi. The reply is not acceptable as no hospital was found in any rented building and CMC could not extend basic health services as it failed in providing accommodation for functioning of a dispensary.
- CMC had stopped distribution of medicines in its seven allopathic dispensaries since June 2014 based on Government decision (March 2014) to merge dispensaries under National Urban Health Mission (NUHM) declaring six of the allopathic dispensaries of CMC as Urban Primary Health Centres. However, the merger had not taken place till August 2015 due to non-finalisation of modalities by Health and Family Welfare Department and HUDD. CMC had not redeployed the services of Pharmacists, Attendants and Dhais and continued to pay these officials who had to sit idle for 10 months.
- The Government stated (November 2015) that steps would be taken after due consultation and approval of the Council, for filling of the vacancy of health personnel in the CMC dispensaries.

5.1.12.2 Non-organisation of health awareness campaign/training programme

As per Section 501 of OMC Act, the Corporation shall undertake health promotion activity to improve service delivery to the poor through participatory health delivery mechanism with emphasis on health education for STD/ HIV prevention, as well as measures to combat alcoholism and violence. As per Section 513, the Corporation is to promote community awareness on environment education.

Scrutiny of records revealed that the Corporation had not taken any steps:

- to make awareness campaign or training programme to fight and prevent diarrhoea, jaundice, influenza, swine flu, dengue and chickengunia etc.
- to decrease alcoholism and violence,
- to conduct immunisation programme weekly, eye camp for providing services to the old age and slum area people and
- to organise health camp in slum areas to prevent contaminated diseases.

As reported by the CDMO Cuttack, during August 2012 to May 2015, there were 289 cases of jaundice, 108 cases of acute diarrhoea and six cases of

measles which led to four deaths. Though the Commissioner stated (November 2015) that regular awareness campaigns had been conducted through IPC, IEC¹⁰ and mike announcement, leaflet distribution, hoarding and vehicle movements etc. for awareness and prevention of diseases, no record in support of conduct of such activity was produced to audit.

5.1.13 Food Safety Management System in CMC

Under Section 576 of OMC Act, the Corporation is entrusted with the duties of ensuring sale/ purchase of non-adulterated food within its area and for the purpose, it should set up a mechanism by appointing Public Analyst as per Section 2(69) *ibid*. The Prevention of Food Adulteration (PFA) Rules, 1955 holds that the Public Analyst shall analyse the samples within 40 days from receipt of such samples and send the report to ULB. However, the Food Safety and Standards (FSS) Act, 2006 envisages that the Food Analyst shall analyse the samples and report within 14 days. The deficiencies noticed in food safety management by CMC are:

5.1.13.1 Operation of food business without licence and registration

As per Section 31(1) of FSS Act, no person shall commence or carry on any food business except under a licence. Section 58 of the Act stipulates that whoever contravenes any provision of the Act/Rules/regulations made thereunder, shall be liable to a penalty which may extend to two lakh rupees.

Audit found that CMC had not created any database regarding number of Food Business Operators (FBOs) operating in the city and number of unregistered FBOs. However, against issue of 146 notices (August 2013-June 2015) to FBOs for licensing and registering their premises, only 30 FBOs (21 *per cent*) such as hotels, grocery, snacks, fruits, sweet stalls, etc. responded and 79 *per cent* of FBOs continued their business without license and registration. As against issue of 657 licences and 879 registrations to the FBOs during 2012-15, 96 FBOs (52 license and 44 registration) did not renew their license and registration and apply for fresh license and registration after expiry of validity. The FSO in his record, had shown these FBOs as closed but on joint physical inspection and interview with 10 out of 96 FBOs, Audit found that all these FBOs were still continuing business in the same premises without licence / registration.

CHO the Designated Officer did not take any steps to impose punishment or penalty against unregistered FBOs. Records of CMC revealed that during Durga Puja and Baliyatra 2014, Food Safety Officer (FSO) and CHO seized and destroyed 19.28 qtl. of adulterated / noxious food of 4,216 FBOs¹¹ having no licence and registration.

The Government stated (November 2015) that there was only one FSO and best efforts were being made to carry out enforcement of all 59 wards of CMC area.

¹⁰ IEC-Information, Education and Communication and IPC- Information through Patrolling Campaign

¹¹ 2051 hotels & restaurants, 1542 fast foods and Thunka puri stall and 623 other food establishments

5.1.13.2 Lack of inspection by FSO and analysis by Food Analyst

As per FSS Act 2006, it is the function of the Designated Officer (DO) to maintain record of all inspections made by FSO and action taken by him in the performance of his duty. Further as per FSS Rules 2011, it is the duty of the FSO to (a) inspect, as frequently as may be prescribed by the DO, all food establishments licensed for manufacturing, handling, packing or selling of an article of food within the area assigned to him, (b) maintain a database of all food businesses and (c) maintain a record of all inspections made and action taken, including taking of samples and seizure of stocks and to submit copies of such records to the DO.

Audit observed the following:

- There were deficiencies in drawing, analysing, reporting of samples and imposing penalty on defaulters.
- The DO never prescribed any target to the FSO to inspect any licensed food establishments, for which no specific reason could be assigned by the DO.
- Only 53 samples were drawn during 2010-15 out of 4712 registered FBOs and four samples were found adulterated. Less number of samples were drawn due to non-fixing of target by the DO.
- The FSO did not maintain a database of all food businesses within the area assigned to him. However, FSO had maintained a database from 2013-14 of licensees and registered sellers only.

As per report of District Health Surveillance Programme of ADMO (PH), Cuttack, 12,000 people of Odia Bazar and Deewan Bazar in CMC area were affected by Acute Diarrhoea Disease (ADD) in May 2015 by consuming contaminated food sold by local vendors.

The Government stated that due to vacancy in the post of Food Analyst in the State laboratory prior to 2009-10, samples could not be drawn. The reply is not tenable as DO did not prescribe any target and no action was taken to address the vacancy position leading to non-fixation of target and picking up samples for test.

5.1.14 Issue of Birth & Death Certificates

5.1.14.1 Improper maintenance of records for issue of birth and death certificates

Section 24 of OMC Act 2003 provided that it is the obligatory duty of the Corporation to make adequate provisions on the registration of births and deaths. As per Right to Public Service Act, 2012 implemented since April 2013, both birth and death certificates shall be issued within 15 days from the date of application. Non-delivery of service within this period attracts penalty not exceeding ₹ 250 per day of delay subject to maximum ₹ 5,000 on appeal by the applicant.

Audit found that earlier the CHO had not maintained the records of application received and disposed and as such failed to provide the same to Audit for the

year 2010-11. However, based on the electronic data furnished by CHO 2011-12 onwards, Audit worked out the clearance of certificates as detailed below:

Table 5.5: Achievement of CMC in maintenance of birth & deaths certificates (In per cent)

Year	Receipt of application		Disposal of application		Pending applications		Percentage	
	Birth	Death	Birth	Death	Birth	Death	Birth	Death
2011-12	9044	5411	3854	2570	5190	2841	57	53
2012-13	17937	7808	6248	2729	11689	5079	65	65
2013-14	20633	9134	15599	7094	5034	2040	24	22
2014-15	25001	13693	20676	11838	4325	1855	17	14

(Sources: Electronic data of CMC on birth & death certificates)

The percentage of uncleared birth certificates ranged from 17 to 65 while that of uncleared death certificates was 14 to 65 during 2011-12 to 2014-15. Though the pendency was in the decreasing trend, CHO had not rejected the applications. Calculated from April 2013, there was delay of one to 641 days and one to 742 days in issue of birth and death certificates respectively.

Audit analysed the existing system and test checked 24 birth applications and 21 death applications received in the month of March 2015 and found the following shortcomings.

- No registers were maintained against receipt of applications for both birth and death in absence of which, the date-wise data on receipt of applications and issue of certificates could not be ascertained.
- Taking the dated signature of the applicants as receipt date, in 20 out of 24 birth cases, there was delay of two to 67 days in disposal of cases. In 20 out of 21 death cases, the delay ranged from one to 55 days.
- Thus, the CHO had not ensured timely delivery of certificates to public and had not taken any action to provide favourable assurance to public.

The Government attributed (November 2015) the delay to shortage of staff and inadequate infrastructure.

5.1.15 Construction, development and maintenance of city roads

5.1.15.1 Roads and road network

Total length of city roads of Cuttack is 783 km out of which 83 *per cent* city road is pucca and 17 *per cent* is kutchra road. The condition of internal roads of the city is very poor as witnessed in JPI.

Audit found that CMC did not have any database as to how many new road projects and how many repair/renovation projects were taken up during 2010-15 as it had not maintained works register. Also, a register of contracts/agreements pertaining to each year as required to be maintained under OPWD code was not maintained by CMC. In absence of these important registers, information like number of projects executed in a year, date of commencement and completion of project and actual expenditure incurred etc. could not be ascertained. From scrutiny of records and joint physical inspection (JPI) of 32 roads, Audit found the following:

(i) Delay in completion of projects: Scrutiny of records of 113 out of 127 CC road projects revealed that execution of work was delayed by the executants

from one to 458 days and no penalty was imposed on them for the delay (*Appendix 5.1*).

(ii) Delay in execution of agreement: In 126 cases, tender process for the roads was delayed ranging by 24 to 829 days by CMC which ultimately delayed execution of agreement and completion of work and thus, effective services could not be provided in due time (*Appendix 5.2*).

(iii) Mechanism for cambering: As per Swarnajayanti Grameen Rozgar Yojana guidelines (April 2005), efforts should be made for 2.5 to 3 *per cent* cambering of road to avoid water logging on the surface. However, JPI of 32 roads constructed under UIDSSMT, Road Development etc. schemes revealed that CMC had not adopted the system of cambering. Audit witnessed water logging on the roads in usual rain which could cause damage to the roads constructed.



View of water logging from a drain at CDA

5.1.15.2 Other irregularities in execution of CC roads:

During Durga Puja in 2014, CMC spent ₹ 3.57 crore under Motor Vehicle Tax grants for repair and renovation of roads and construction of cement concrete slabs as cover on drains. As many as 358 works were executed in all the 59 wards departmentally and through tender process. Further, average distribution of funds per ward was ₹ 6.05 lakh which indicated that the CMC could go for ward-wise tender for ensuring permanent nature of work. Audit conducted JPI of 23 sites and found that though amount was spent, no slabs were put in any of the drains visited.

Similarly, for construction and renovation of pot hole and patch repair of roads of ward No.2 and 3, Commissioner approved (September 2011) ₹ 33 lakh out of State Relief Commission fund. Audit found that the projects were split up into 66 parts with an estimated cost of below ₹ 50,000 in phases ranging from 4 to 20 to avoid sanction of the higher authority. All the estimates were prepared within one day i.e. 19 September 2011 and administrative approval and technical sanction were obtained on the next day i.e. 20 September 2011.

The Government stated that as per decision of the Municipal Council and district administration, the works were taken up after completion of rainy season. The reply was not acceptable because prescribed procedure was not followed while spending government money.

5.1.16 Operation of Housing schemes in slums

As per the information provided by Slum Improvement Officer (SIO), CMC, Cuttack has 264 identified slums with population of 1.29 lakh. It included 181 authorised and 83 unauthorised slums. The percentage of slum population to total population of the city was 21. Most of the slums were developed on private land. It was seen from the information furnished by the CMC that more than 45 *per cent* of slums did not have necessary sanitation facilities. Only 56

per cent of slum population had toilet facilities and 49 *per cent* have electricity connection. There are 261 Anganwadi centres and seven urban health centres in the slums and 61 *per cent* slum dwellers had access to skill development training programme. There were 1429 homeless people in the city.

5.1.16.1 Housing for slums

Two major slum development programmes had been taken up (2010-11) in slums i.e. Integrated Housing and Slum Development Programme (IHSDP) and Rajiv Awas Yojana (RAY) for which Government of India sanctioned only 12 slums. The coverage of both the programmes in CMC during 2010-15 is shown in the following table:

Table 5.7: Information on IHSDP & RAY at CMC (₹ in crore)

Name of the scheme	No .of slum included	Coverage of slum population	No. of projects taken up	Total project cost	Projects completed	Total expenditure
IHSDP	2	1080	456	16.99	nil	13.52
RAY	10	4500	602	25.83	nil	2.33
Total	12	5580	1058	42.82		15.85

(Sources: Correspondence files of CMC)

As can be seen from above, slum population of 5580 (4.3 *per cent*) out of 1.29 lakh could be covered under these two programmes as of March 2015. Further, the progress of these two programmes suffered as discussed below:

5.1.16.2 Implementation of Rajiv Awas Yojana (RAY)

Rajiv Awas Yojana (RAY) envisages “Slum-Free India” with inclusive and equitable cities in which every citizen has access to basic civic and social services and decent shelter. RAY was launched in Cuttack City in November 2011.

GoI sanctioned (January 2013) a pilot project for 10 slums estimated at ₹ 25.83 crore for construction of 602 low cost dwelling units (DUs) with built-up area 28.73 sqm, upgradation of 263 existing toilets, construction of two community centres, one livelihood centre and infrastructure facilities like water supply, drainage, street lighting, SWM etc. and released ₹ 9.18 crore to CMC. CMC awarded the project to National Building Construction Corporation (NBCC) Ltd. which was approved (September 2014) by HUDD on the condition that the project cost should not be revised in future. The work was to commence in November 2014 and to be completed within 18 months. However, NBCC submitted revised DPR of ₹ 28.60 crore which was 10.72 *per cent* excess over original approved cost of ₹ 25.83 crore. Since this contravened HUDD’s decision, it delayed approval of the estimate. Meanwhile, CMC paid (July 2015) ₹ 2.32 crore (10 *per cent* of approved project cost) to NBCC as mobilisation advance. As per project status report (June 2015), in six slums the work was in progress while in remaining four, the work had not started. Thus, the provision of shelter to slum dwellers was delayed due to non-initiation of timely action by CMC as well as HUDD to negotiate with NBCC on project cost.



View of the RAY project at Balmiki Nagar Mundasahi

The Government stated (November 2015) that construction in 10 slums was delayed due to non-response of tenders floated for which NBCC was selected on nomination basis.

5.1.17 Welfare measures

For the social welfare of city dwellers, the Corporation as its obligatory and discretionary duties has set up many public buildings and premises which are upgraded and renovated from time to time to serve basic purposes behind their construction. Significant observations of Audit on maintenance of these premises / buildings by CMC are given in subsequent paragraphs:

5.1.17.1 *Misappropriation of revenue towards reservation charges of Kalyan Mandap and Shaheed Bhawan*

As per provisions of Rule 19(2) of OM Accounting Rules, all revenue received on behalf of the Municipality shall be entered in the Cash / Bank Book on the same day of the collection. During 2010-15, a sum of ₹ 1.80 crore was received as revenue towards reservation charges of both Shaheed Bhawan and Kalyan Mandap. When the money receipt number recorded in the reservation file against each reservation was tallied with the entries of cash book maintained by Cashier, Audit found that ₹ 1.26 lakh was not deposited with the Cashier. The details are given in **Appendix 5.3**.

Further scrutiny of Diesel Generator set log books revealed that in Shaheed Bhawan, the DG set was operated on 114 such dates on which there was no official bookings. Similarly, in Kalyan Mandap, the DG set was stated to be operated on 38 days without indicating any purpose. This implied that both Shaheed Bhawan and Kalyan Mandap were booked on these days but the booking amount of ₹ 20.26 lakh (calculated at prescribed rate) had not been credited to CMC's account. The details of the possible misappropriation are given in **Appendix 5.4**. Audit also found that the reservation registers and log books were not periodically cross checked by higher officers. This indicated the failure of internal control mechanism of CMC which facilitated the subordinate staff to misappropriate ₹ 21.52 lakh.

The Government stated (November 2015) that CMC had filed a FIR for misappropriation of funds and issue of forged receipts. The then caretaker was placed under suspension and disciplinary action was being taken against him.

5.1.17.2 *Loss of revenue due to reservation of Shaheed Bhawan at non-commercial rate*

CMC fixed (September 2010) reservation charges of Shaheed Bhawan ₹ 9000 for general purpose and ₹ 12000 for commercial purpose plus service tax for each day of reservation which was revised (October 2014) to ₹ 15000 and ₹ 20,000 respectively. Though various institutions/agencies/corporate bodies¹² reserved the Shaheed Bhawan for commercial purposes during 2010-15, the reservation charges were collected from these agencies at general rate instead of commercial rate which resulted in loss of revenue ₹ 8.90 lakh (**Appendix 5.5**).

¹² For example Manorama Tractor House, Eastern Media Limited, Alok Automobiles, OTV Limited, Dewsoft Overseas Private Ltd. and Jyoti battery Industries etc.

The reason for incurring of such loss was non-defining of the term “Commercial and General” by CMC as stated in the said office order.

The Government stated that commercial rate was charged on the activities organised with a commercial purpose such as ticketed programmes, reality shows etc. and general rate was collected from commercial organisations for organising official meetings. However, he admitted that the tariff was not defined earlier.

5.1.17.3 Construction and maintenance of public parks

Under OMC Act, a Municipal Corporation is obliged to construct and maintain adequate number of public parks and gardens for the benefit of its citizens. There are 30 public parks in the city set up and managed by CMC. For new construction, repair and maintenance of these parks, CMC had utilised ₹ 2.32 crore and ₹ 50.01 lakh from its own fund and Government grants respectively during 2010-15.

Audit conducted JPI (July and August 15) of 13 parks and noticed that 11 parks had no urinal and drinking water facilities as well as sitting arrangements. Two parks had broken boundary walls and three had inadequate lighting facilities. In eight parks, artificial water fountains were defunct while in five parks, children playing instruments were damaged. Thus, CMC had failed to monitor effectively the optimum utilisation of funds spent (₹ 2.82 crore) and provision of basic facilities to attract citizens. In JPI, Audit found that:

(i) In Shaheed Park, artificial water fountains and submersible pump sets were installed (December 2013) at ₹ 9.39 lakh, but the water fountain system was not working and though there was one-year guarantee on the system, CMC had not availed it. This made the expenditure of ₹ 9.39 lakh unfruitful.



View of CMC park in front of Sarthak Tower

The City Engineer assured to make the fountains functional.

(ii) One park constructed (July 2013) in front of Sarthak Tower, Jobra at ₹ 2.21 lakh had been lying unused with covering of wild bushes and shrubs. After completion of civil infrastructure, the J.E concerned did not hand over the project to Park section of CMC for further development and maintenance, thus making the expenditure of ₹ 2.21 lakh unfruitful.

The Government stated that proposal had been prepared and submitted to Government of India for repair and restorations of all parks under AMRUT Yojana.

5.1.17.4 Unfruitful expenditure towards maintenance of public toilets

OMC Act makes it obligatory duty of an ULB to construct, maintain and clean drains and public latrines, water closets, urinals etc. for the benefit of public.

CMC had 20 pay and use public toilets and 47 free use public toilets under its jurisdiction out of which Sulabh International Social Service Organisation

(SISSO), an NGO, had been managing 54 toilets. Audit found that SISSO had been in business with CMC since August 2002 at a negotiated maintenance cost of ₹ 1.31 lakh per month @ ₹ 283 per seat for 464 seats. As per the agreement, proper sanitation was to be maintained by SISSO and CMC had to inspect and oversee the toilets for proper maintenance and sanitation. In case of any neglect or lapse, the agreement was liable to be terminated. Audit conducted JPI of six out of 38 free use public toilets managed by SISSO and noticed that the toilets were in insanitary condition, ill-maintained, with no power supply and needed repair and renovation.

Further scrutiny revealed that SISSO was paid ₹ 71.02 lakh from April 2010 to April 2014 (49 months) deducting ₹ 11.28 lakh for non-functioning of certain toilet seats which were shown non-functional by the JE for the period of 14 to 190 toilet seats. The aforesaid amount was paid without ensuring the level of maintenance. The NGO was allowed arbitrary extension of contract period till date at the old rate negotiated 13 years ago and for last 11 months, CMC had not paid it on the ground of poor maintenance. Thus, ₹ 54.19 lakh paid to the agency in the last five years towards maintenance of free toilets was unfruitful apart from failure of CMC in providing clean and hygienic sanitation facility in the public toilets.

The Government stated (November 2015) that SISSO had been directed to maintain public toilets as per terms and conditions of the agreement.

5.1.17.5 Implementation of Harischandra Sahayata Yojana (HSY)

As per para 2.13 relating to Harischandra Sahayata launched in August 2013, Government provides financial assistance to poor and destitute between ₹ 1000/- to ₹ 3000/- in urban areas for conducting the last rites of their family member and for cremation of unclaimed dead bodies. From April 2013 to July 2015, CMC provided financial assistance of ₹ 13.71 lakh¹³ to 458 poor and destitute persons while applications of 43 beneficiaries were pending for payment of ₹ 1.29 lakh¹⁴ as of July 2015 due to want of funds under the scheme even though their relatives died between May and July 2015. CMC did not move the Government for providing financial assistance to the pending beneficiaries. These 458 applications were not diarised in spite of existence of central diarising system and the assistance had been sanctioned on the certificate of community organisers. Due to this, actual number of applications received and disposed was doubtful.

The Government stated (November 2015) that online database is maintained now in respect of beneficiaries under the scheme.

5.1.17.6 Ineffective delivery of Town Bus Service leading to consequential loss

As per OMC Act, the Corporation may provide from time to time for maintenance or management of transport facilities including metro services for the conveyance of public. CMC procured (1998) two town buses. As per latest

¹³ ₹ 2000 X 1=2000, ₹ 2500 X 4=₹ 10,000, ₹3000 X 453=₹ 13.59 lakh

¹⁴ @ ₹ 3000/- each as decided in CMC council meeting held on September 2013

route chart fixed (August 2010) by the Regional Transport Officer (RTO), Cuttack, each town bus was to cover distance 232.20 km daily for plying of passengers in eight trips.

Test check of log books (2013-15) and public complaints revealed that both the town buses ran 105 to 205 km daily deviating from their prescribed route chart. As against 1104 working days, buses plied for 758 days only due to off road of vehicle, damage of battery, tyre leakage etc. In most of the days, the reason for shortfall was not recorded. Audit found from JPI that passenger seats were damaged, window panels were malfunctioning and cracks inside the body made way for rainwater and dust. The passengers preferred the town buses less due to break-down of buses for eight to ten days in a month. Due to this, both the buses could earn income of ₹ 11.97 lakh during 2010-15 against an expenditure of ₹ 1.03 crore towards operation and maintenance which led to consequential loss of ₹ 91.83 lakh. Thus, due to improper supervision and monitoring, delivery of town bus service was ineffective.

The Government stated (November 2015) that Cuttack Urban Transport Services Limited, a Special Purpose Vehicle has been formed to operate 100 City Buses after running of which, Hon'ble High Court will be moved to withdraw the Chandrika Buses from the routes which have become uneconomical.

5.1.18 Monitoring

Finance Department had instructed (October 2012) to maintain liquidity in the account while choosing the maturity period of fixed deposits. Further, as per OM Accounting Rules, the Accounts Officer should examine daily the entries and closing balance of cash book. But in spite of that, ₹ 62.53 crore relating to eight schemes were kept in 51 bank accounts in fixed deposits for 54 to 1238 days which indicated lack of review by the Finance Officer. Further, the Commissioner could not timely monitor non-refund of balance funds of ₹ 9.19 crore by R&B which remained in their account since September 2013.

Despite abundance of water, lack of monitoring and co-ordination amongst HUDD, CMC and PHEO and non-provision of adequate infrastructure to PHEO resulted in non-supply of piped water to all households of CMC.

As per OMC Act, the Corporation, shall within the Corporation area, be responsible for implementation of the rules made by the Central Government under Environment (Protection) Act, to regulate the management and handling of solid wastes and for development of any infrastructure for collection, storage, transportations, processing and disposal of such solid wastes. But Audit noticed that the CHO had failed to monitor the SWM activities viz. segregation and disposal into landfills and also the work of the outsourced agencies which was not taken note by above higher authorities.

The progress of slum housing scheme RAY was slow due to lack of regular monitoring by CMC. The Deputy Secretary and other higher officers of CMC failed to discharge their responsibility of monitoring the collection of revenue

in Kalyan mandap and define tariff rate in Saheed Bhawan which resulted in possible misappropriation of ₹ 21.52 lakh.

As per OMC Act, an ULB is to construct, maintain and clean drains and public latrines, water closets, urinals etc. for the benefit of public. But, the City Engineer, CMC did not supervise the completion of night shelters and sanitation of public toilets which resulted in denial of intended service to public apart from giving undue benefit to the agency.

5.1.19 Conclusion

CMC neither prepared any long term or short term plan document like ICDP and AAP nor formed ward committees for grass root level participation. Implementation of water supply project was delayed, sewerage networking was insufficient as only eight *per cent* of the household were covered under the network. Only 33 MLD STP (35 *per cent* of the requirement) existed for treatment of sewage. The city suffered severely from flooding and water logging due to unplanned and unsystematic drainage system. Solid Waste Management in the city was ineffective due to shortfalls in collection, non-segregation/ recycling of collected waste and unscientific disposal of waste at landfill site etc. CMC could not provide better health services including issue of birth and death certificates in time, to people due to inadequacy in infrastructure and health personnel. CMC could not provide 602 dwelling units to the urban poor even after sanction of ₹ 25.83 crore by GoI under RAY. Apart from the above, the Corporation also failed to provide and maintain adequate welfare measures like roads, public toilets, public parks, prevention of food adulteration, town bus services etc. due to inefficient monitoring mechanism.

5.1.20 Recommendation

Government may consider the following recommendations:

- More STPs should be constructed for treatment of sewage. CMC should also ensure early completion of JICA projects to cover 92 *per cent* sewerage network of the city after which storm water line and sewerage lines can get separated and sewage treated;
- CMC may develop adequate infrastructure, make provision for medicines, fill up the vacancies after review of requirement of medical staff as per population and take effective steps for issue of birth and death certificates in time;
- CMC may take appropriate steps for construction of dwellings units and allied facilities as soon as possible for the slum dwellers; and
- CMC should take adequate steps to provide welfare measures like roads, public toilets, slaughter houses, public parks, prevention of food adulteration and town bus services in an efficient and effective manner.

CHAPTER VI

COMPLIANCE AUDIT

CHAPTER VI

COMPLIANCE AUDIT

6.1 Creation of Urban Employment under Swarna Jayanti Shahari Rozgar Yojana

6.1.1 Introduction

Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched by Government of India in December 1997 with the objective to provide gainful employment to the urban poor through setting up of self-employment ventures or provision of wage employment and supporting skill development and training programmes to get access to employment opportunities opened up by the market or undertake self-employment through suitable self-managed community structures etc. The Scheme remained in operation till September 2013. The scheme consisted of five major components, namely-

- (i) Urban Self Employment Programme (USEP)
- (ii) Urban Women Self-help Programme (UWSP)
- (iii) Skill Training for Employment Promotion amongst Urban Poor (STEP-UP)
- (iv) Urban Wage Employment Programme (UWEP) and
- (v) Urban Community Development Network (UCDN).

At the State level, State Urban Development Agency (SUDA) was the nodal agency for SJSRY who was responsible for planning, guidance, monitoring, implementation and evaluation of the scheme. SUDA functions under Director of Municipal Administration & ex-officio Additional Secretary to Government as State Nodal Officer. At the district level, District Urban Development Agency (DUDA) was the nodal agency.

Audit Findings

Audit of SJSRY in the State was conducted in 12¹ out of 103 ULBs covering the period from 2011-12 to 2014-15 and the audit findings are discussed below:

6.1.2 Inadequate functioning of UPA Cell

According to para 9.3 of SJSRY Guidelines, at the ULB level, Town Urban Poverty Alleviation Cell (UPA cell) was to be constituted headed by the Commissioner/Executive Officer who was to be supported by a Slum Improvement Officer, Project Officer/Assistant Project Officer, Community Organisers (COs) and an Office Assistant-cum-Accountant. The UPA cell was to forward an Action Plan prepared by Community Development Societies² (CDSs) working under it to DUDA for approval and discharge the function such as to conduct Slum, Household and Livelihoods Surveys, identify beneficiaries for various schemes, promote SHG-Bank linkages and train COs.

¹ Angul, Balasore, Bargarh, Barbil, Baripada, Bellaguntha, Berhampur, Bhanjanagar, Bhawanipatna, Burla, Dhenkanal and Phulbani

² A society consisting of representatives of all the NHC in a town

As per the guidelines, the delivery of inputs under the scheme shall be through the medium of ULBs and community structures, to be formed by UPA Cell like Neighbourhood Groups (NHGs)³, Neighbourhood Committee (NHC)⁴ and CDS.

Scrutiny of records of 12 test checked ULBs revealed that though Town UPA cell was formed in all test checked ULBs, except in Berhampur Municipal Corporation, the posts like Project Officer, Assistant Project Officer and Office Assistant-cum-Accountants were not filled in the UPA Cell. No urban poor cluster and area was identified for setting up of community structures like NHGs, NHC and CDS and no slum, household and livelihood survey was conducted. Although NHGs/NHCs were formed in all ULBs, CDS were not formed except in Angul, where CDS was formed but was not functioning. Due to non-filling up of critical posts of UPA Cell, non-formation of NHC and CDS at ward and ULB level, the prescribed activities such as preparation of Community Development Plan (CDP), Poverty Sub Plan and Budget for the poor (P-Budget) were not undertaken.

6.1.3 Unrealistic Annual Action Plan (AAP)

Audit found that the test checked ULBs made budget provision of ₹ 70.07 crore for 2011-15 whereas they prepared AAPs for ₹ 58.25 crore and implemented the scheme with the available funds of ₹ 18.93 crore (32 per cent of planned amount) (*Appendix 6.1*). Thus, all planned sectors could not be covered with this scanty fund. The inconsistency is illustrated in the following table.

Table 6.1: Statement showing year wise fund position on SJSRY (₹ in crore)

Year	Funds required as per AAP	Budgeted amount	Funds available with the ULBs			
			OB	Receipt	Interest	Total
2011-12	20.20	8.77	5.61	5.58	0.22	11.41
2012-13	22.01	8.58	7.16	2.41	0.21	9.78
2013-14	15.31	11.98	2.54	4.48	0.12	7.14
2014-15	0.73	40.74	1.81	0.23	0.07	2.11
Total	58.25	70.07				18.93

(Source: Compiled by Audit from records of the test checked units)

As could be seen from above table, in 2014-15 even after closure of the scheme, five ULBs⁵ kept budget provision of ₹ 40.74 crore which led to inflated budget. The flow of receipts was not considered for planning and budgeting.

6.1.4 Execution of the scheme in an objective manner

SUDA had an amount of ₹ 85.70 crore during 2011-14 and fixed target of 10,500 individual beneficiaries, 1,700 women group (SHG), 3300 women societies and 95,000 trainees to be benefited under USEP, UWSP, T&CS and STEP-UP out of which Government achieved 8,230 (78 per cent), 879 (52 per cent), 1,777 (54 per cent) and 68,021 (72 per cent) numbers respectively. Further, 12 lakh mandays were targeted to be generated under UWEP out of which only 4.55 lakh mandays (38 per cent) were achieved towards wage

³ Association of women from 10 to 40 urban poor/slum families

⁴ Committee formed by the Resident Community Volunteers of all the NHGs in a ward

⁵ Barbil, Berhampur, Belaguntha, Bhanjanagar and Phulbani

employment. Thus, the scheme did not succeed to provide intended benefits to the SHGs/beneficiaries (*Appendix 6.2*).

Implementation of the scheme in test checked ULBs: Target *vis-a-vis* achievement in respect of five components of the scheme in 12 test checked ULBs is detailed in *Appendix 6.3* which revealed as follows:

- Under USEP, the achievement against the target ranged between 27 and 87 *per cent* except in Berhampur Municipal Corporation (181 *per cent*).
- Under UWSP, except in BeMC (181) and Burla (150) the achievement was between 0 and 76 *per cent*.
- Under T&CS, except in Baragarh (150) the achievement in all ULBs ranged between 0 and 94 *per cent*.
- In case of UWEP, the achievement ranged between 0 and 39 *per cent*.
- Similarly, under STEP-UP the achievement ranged between 22 and 172 *per cent* while it was more than 100 *per cent* in six test checked ULBs.

The dismal performance of the scheme is attributed to several factors which are discussed in subsequent paragraphs.

6.1.5 Non-identification of beneficiaries

According to Para 8.4 (viii) and 9.3 of SJSRY guidelines, a household survey for identification of genuine beneficiaries with focus on slums and low income settlements was to be conducted by the ULBs with the help of CDS.

Scrutiny of records for the period 2011-15 revealed that in none of the 12 ULBs, the beneficiaries were identified as per the guidelines. The beneficiaries (3,208 individual under USEP, 346 SHG and 221 T&CS under UWSP and 14,280 individuals under STEP-UP) were identified through self-effort and sponsorship of ULBs who were made aware by Community Organisers, Councillors, Ward Sabha and Niyukti Mela. Since the beneficiaries were not fulfilling the prescribed parameters obtaining weightage scores for attributes, the aim of the scheme to find and facilitate the poorest of the poor could not be fulfilled.

6.1.6 Less coverage of ST, minority and differently abled persons in USEP and STEP UP

As per SJSRY guidelines, USEP and STEP UP were to target the urban population below poverty line with special focus on women, SC/ST and differently abled persons and such other categories prescribed by the Government from time to time. There should be special provision of reservation i.e. three *per cent* for differently abled, 15 *per cent* for minorities and eight *per cent* for ST under the components.

Scrutiny of records of 12 test checked ULBs revealed that identification of beneficiaries from minorities and differentially abled BPL households was not done by the ULBs due to non-formation of community structures at base level. Out of 56,866 BPL Household, 17,488 beneficiaries were provided assistance under USEP and STEP UP for the period 2011-15 as follows:

Table 6.2: *Statement showing less focus on special category*

Name of the ULB	Total BPL household	USEP					STEP UP				
		Target	Total beneficiary assisted	ST	Minority	Differently abled	Target	Total beneficiary	ST	Minority	Differently abled
Angul	1621	79	52	0	1	0	457	247	7	11	1
Dhenkanal	2362	122	85	7	3	0	1007	960	39	19	0
Baragarh	6091	143	111	1	7	0	865	1486	252	81	7
Burla	2307	52	40	7	0	0	298	367	47	0	0
Barabil	2985	119	103	11	6	0	976	433	80	46	1
Baripada	4971	209	128	7	18	0	1685	813	97	51	2
Balasore	3611	234	64	1	11	0	1866	402	11	54	0
Berhampur	22191	657	2446	0	6	0	5305	7754	24	80	51
Phulbani	2505	69	45	6	2	0	394	184	7	7	2
Bellaguntha	1072	15	8	0	0	0	121	137	0	0	1
Bhanjanagar	1550	38	21	0	0	1	221	278	2	1	3
Bhawanipatna	5600	127	105	4	4	0	1036	1219	96	36	0
Total	56866	1864	3208	44 (1.4%)	58 (1.8%)	1 (0.03%)	14231	14280	662 (4.6%)	386 (2.7%)	68 (0.48%)

(Source: Records of the ULBs)

Out of 3,208 beneficiaries under USEP, 44 ST (1.4 per cent) and 58 minority (1.8 per cent) were benefitted whereas the coverage of differently abled beneficiary was one (0.03 per cent). Similarly, out of 14,280 beneficiaries under STEP UP, 662 ST (4.6 per cent), 386 minority (2.7 per cent) and 68 differently abled (0.5 per cent) were trained.

This indicated that the test checked ULBs had not given priorities to persons belonging to ST, minority and differently abled category through survey, awareness and motivation in creation of urban employment. This led to shortfall in achieving the target in special category as well as in all categories.

6.1.7 Lack of follow up by the Community Organisers (CO) leading to exclusion of beneficiaries under USEP and UWSP

As per para 8.4 of the SJSRY guidelines, the responsibility of a CO includes identifying suitable beneficiaries for self-employed ventures, preparing applications for securing bank credit after approval of the names of beneficiaries by the CDS and taking subsequent follow up with the ULB/Banks/Administration until final disposal of the applications.

As per para 14.5(i) of RBI guidelines (January 2013), liberal financing should be made under SJSRY as it is the only scheme which directly assists the urban poor. Para 15.2 envisages that rejection of applications should not be on flimsy grounds. The reasons for rejection may also be communicated to the sponsoring agency while returning the applications.

As no CDS was functioning during 2011-15, the COs had sponsored the applications of those beneficiaries who applied on their own, to Bank for sanction of loan and release of subsidy, duly approved by the ULB.

In eight⁶ out of 12 test checked ULBs, banks did not sanction loan of ₹ 3.18 crore to 88 groups under UWSP involving 860 poor women out of 434 groups sponsored by the ULBs. The reason for not considering these applications was neither communicated by banks to ULBs nor followed up by the ULBs.

Further, though the community organisers of test checked ULBs sponsored 5,983 numbers of beneficiaries to Bank for sanction of loan under USEP, the banks sanctioned loan in favour of 3,208 (54 *per cent*) beneficiaries. The balance 2,775 beneficiaries were not considered for availing scheme benefits by the banks, the reasons of which were not communicated to the ULBs concerned (*Appendix 6.4*). Thus, it indicated that the ULBs did not analyse the reasons for exclusion of these beneficiaries in co-ordination with the banks concerned.

6.1.8 Adequate financial support not provided to beneficiaries under USEP/ UWSP

USEP focuses on providing assistance to individual urban poor beneficiaries for setting up gainful self-employment ventures and micro-enterprises. Under this component, out of project cost of ₹ 1.00 lakh, margin money for beneficiary is fixed at ₹ 5000, the bank has to grant loan of ₹ 95,000 out of which the ULB has to deposit subsidy of ₹ 25,000 with the bank. Similarly, for setting up group enterprise, the UWSP group is entitled to a subsidy of ₹ 3 lakh or 35 *per cent* of the project cost or ₹ 60,000 per member of the group, whichever is less.

In respect of 3,208 beneficiaries and 346 SHGs against whom loan was sanctioned and disbursed by different banks under USEP and UWSP respectively during 2011 to 2015, Audit collected information from 70 banks about 392 beneficiaries and 205 SHGs regarding sanction and disbursement of loan, adjustment of subsidy etc. and found the following inadequacies in release of loan and adjustment of subsidy.

(a) Irregular adjustment of subsidy under USEP and UWSP: As per para 3 of the instruction of Reserve Bank of India (November 1997) on administration of the subsidy of SJSRY, the amount of subsidy was required to be kept in borrower-wise reserve fund account with initial lock-in period of two year and was to be adjusted at the time of closure of the loan account. Audit found in 12 test checked ULBs that:

- In 156 cases under USEP, the subsidy amounting to ₹ 47.89 lakh was adjusted within one month to three years from the date of sanction of loan but the loan account was not closed after adjustment of subsidy. Out of the above cases, 55 loan accounts were declared as Non Performing Asset (NPA) due to non-repayment of loan. Banks adjusted

⁶ Angul-3 SHG- ₹ 9.00 lakh, Balasore- 20 SHG- ₹105.44 lakh, Bargarh-9 SHG- ₹22.50 lakh Barbil-5 SHG- ₹14.95 lakh, Dhenkanal-14 SHG- ₹37.00 lakh, Belaguntha- 1 SHG ₹ 6.25 lakh, BeMC-34 SHG- ₹118.80 lakh and Bhanjanagar-2 SHG ₹ 4 lakh

subsidy from these accounts viewing non-repayment by the beneficiaries.

- In Angul and Balasore municipality, six beneficiaries under USEP were sanctioned loan of ₹ 6.00 lakh where subsidy amount of ₹ 1.5 lakh was deposited by the ULB with the banks. However, the banks disbursed only ₹ 1.5 lakh (equivalent to subsidy amount i.e. 25 *per cent* of sanctioned loan) to the beneficiaries and adjusted full subsidy from their account within the same month of disbursement and closed the loan account.
- Similarly, in case of five groups⁷ of three ULBs, disbursement and repayment of loan and adjustment of subsidy of ₹ 7.21 lakh under UWSP was made on the same day with closure of loan account.

The ULBs which were required to regularly follow up the progress of the beneficiaries as well as timely repayment of loans had failed to discharge their responsibility of monitoring.

The Commissioners/EOs of the ULBs assured to take follow up action henceforth.

b) Non disbursement of loan in full under USEP: In 10 test checked ULBs, although in 115 cases (*Appendix 6.4*) the bank had sanctioned loan amounting to ₹ 1.37 crore to the beneficiaries for setting up their self-employment venture however, it actually disbursed ₹ 79.70 lakh (ranging from 8 to 94 *per cent* of sanctioned loan) leaving undisbursed amount of ₹ 57.22 lakh. In 28 cases in eight ULBs, the banks extended financial support from 8 to 25 *per cent* of the sanctioned loan i.e. less or equal to subsidy released by the ULBs which indicated that no bank credit was extended to these 28 beneficiaries as per requirement. The ULBs were expected to monitor the activities of beneficiaries ensuring disbursement of loan which they did not do.

During joint physical inspection, Audit visited 58 beneficiaries availing loan under the scheme with the official of test checked ULBs and found that 14 beneficiaries had not created self employment venture after availing loan.

c) Irregular retention of subsidy by the bank under USEP and UWSP: In 115 cases of 10 test checked ULBs, subsidy amounting to ₹ 39.35 lakh under USEP was paid to bank (against project cost of ₹ 156.41 lakh) for the period 2011-12 to 2014-15. While the banks sanctioned loan of ₹ 136.92 lakh, they disbursed ₹ 79.70 lakh only for which the subsidy due was ₹ 19.92 lakh. The COs did not follow up with the banks for disbursement of full amount of loan. As such, the bank retained the excess subsidy of ₹ 19.43 lakh (₹ 39.35 lakh-19.92 lakh).

Further, in six out of 12 test checked ULBs, against the project cost of ₹ 39.30 lakh, the banks were released subsidy of ₹ 13.75 lakh for payment to 13 SHGs under UWSP for the period 2011-15. However, the banks disbursed ₹ 21.59 lakh for which the subsidy due was ₹ 7.55 lakh (35 *per cent*). Thus, the banks

⁷ Bargah-1 SHG- ₹ 0.70 lakh, Dhenkanal-3 SHG- ₹ 5.25 lakh and BeMC-1 SHG- ₹1.26 lakh

retained excess subsidy of ₹ 6.20 lakh (₹ 13.75 – 7.55 lakh) without refunding the same to ULBs.

The ULBs had not taken any efforts to ascertain the actual disbursement of loan and subsidy and get back the surplus amount of ₹ 25.63 lakh (₹ 19.43 lakh + ₹ 6.20 lakh) retained by the bank without disbursement.

d) Moratorium period not allowed for repayment of loan under USEP: As per Annexure-II para-12 of SJSRY guidelines, the repayment schedule of the loan shall range from three to seven years after initial moratorium period of 6 to 18 months. It was, however, noticed that in 150 cases, the moratorium period was allowed ranging between zero and five months in violation of the guidelines.

The Commissioner/EOs stated (May-September 2015) that loan was sanctioned and disbursed as per Banking rule.

The reply is not tenable as all the banks are guided by the RBI guidelines where it was mentioned to follow the moratorium period of 6 to 18 months.

e) Non payment of subsidy and loan under USEP: In one ULB (Baragarh), 10 beneficiaries availing bank loan of ₹ 8.06 lakh during 2012-13 were not paid subsidy to set up of their self employment venture.

The EO of Baragarh stated that the subsidy amount could not be released to the bank due to paucity of funds. The reply is not acceptable as the ULB had unspent funds of ₹ 3.41 lakh under SJSRY as found from their closing balance for the year ending March 2013 and intra-component transfer was permissible.

f) Less release of subsidy under UWSP: In 2012-13, three ULBs (Angul, Baripada and Bhanjanagar) could not provide subsidy to banks in respect of 10 groups under UWSP as on the date of audit even after disbursement of loan on grounds of non-availability of funds. As subsidy of ₹ 2.88 lakh was not released, 101 poor women belonging to 10 SHGs had to bear the extra financial burden contrary to the scheme guidelines.

EOs of two ULBs stated that they had moved (February 2014) to higher authority for allowing intra-component transfer of funds. However, the possibility of intra-component transfer of fund is remote at this stage as the scheme has already been closed.

6.1.9 Management of Revolving fund

As per para 5.3.1 of the SJSRY guidelines, where UWSP group sets itself as a SHG / Thrift and Credit Society (T&CS) mobilising savings and credit, the SHG shall be entitled to a maximum lump sum grant of ₹ 25,000 as revolving fund at the rate of ₹ 2000 maximum per member for carrying out specified activities. As per para 5.3.2 of the guidelines, revolving fund is to be provided to SHG/T&CS after ensuring existence and functioning of the group for more than one year by examining records of the group.

Scrutiny of records revealed that:

- Against target of 604 SHGs, 221 SHGs (37 per cent) were provided with Revolving Fund of ₹ 39.72 lakh during the period from 2011-15 (*Appendix 6.5*). However, the COs had not monitored the use of revolving fund towards conduct of specified activities as confirmed from check of records.
- In absence of records of SHGs with the ULBs, the latter without ensuring completion of at least one year as T&C, provided revolving fund of ₹ 10.13 lakh to 54 groups of six ULBs.
- In Baripada Municipality, excess payment of ₹ 21,000 was made to five SHGs as member yardstick (₹ 2000) was not followed while giving assistance. In Barbil and Phulbani Municipality, the maximum ceiling of ₹ 25,000 per group was not observed resulting in excess payment of ₹ 19,000 to five groups.
- One group of Phulbani Municipality was paid revolving fund twice, first ₹ 10,000 in August 2008 (when maximum ceiling was ₹ 10,000) and ₹ 30,000 again in March 2011. As such, there was excess payment of ₹ 30,000/-. The said amount could have been provided to other needy groups.

EOs of Baripada and Phulbani municipality accepting the fact assured (July-August 2015) to recover the excess amount.

6.1.10 Implementation of Urban Wage Employment Programme (UWEP)

According to the guidelines, under UWEP component the ULB has to provide wage employment to unskilled and semi-skilled migrants/residents living below the poverty line by utilising their labour for construction of socially and economically useful public assets. As per para 7.5 of the guidelines and HUDD instruction, work must be done departmentally and through CDS with maintenance of muster rolls.

Scrutiny of records of 12 test checked ULBs for the period 2011-15 revealed that 171 works were executed under the UWEP by incurring expenditure of ₹ 3.73 crore (*Appendix 6.6*) in which:

- No work was planned and executed through CDS.
- Forty-four works with project cost of ₹ 1.41 crore were not done departmentally and executed through contractors.
- Out of these 44 works, one project (office building) was constructed in BeMC at an expenditure of ₹ 26.45 lakh under SJSRY which was not admissible under the scheme and
- Muster roll was not maintained in 14 out of 127 works executed departmentally and wages were not paid to identified resident / migrant labour belonging to urban poor of concerned ULBs.

6.1.11 Creation of urban employment through STEP-UP

According to para 6.1 of the guidelines, the urban poor is to be provided

assistance for skill formation/upgradation under Skill Training for Employment Promotion amongst Urban Poor (STEP-UP) to enhance their capacity to undertake self-employment as well as to have access to better salaried employment and Livelihoods / Skill Needs Assessment survey was required to be conducted by the ULBs. The ULB are to conduct melas / camps at the ward level / ULB level to establish interface with the beneficiaries. Skills that are relevant to the market are to be imparted.

Scrutiny of records of test checked ULBs for the period 2011-14 revealed that against target of 14,231 urban poor to be trained under STEP-UP, though 14,280 were trained, only 561 (four *per cent*) were provided placement (*Appendix 6.7*). The test checked ULBs had failed to utilise the facilities of STEP-UP in creating placement opportunity for urban poor as discussed below.

- Six ULBs (BeMC, Bargarh, Burla, Bellaguntha, Bhanjanagar and Bhawanipatna) achieved the target above 100 *per cent* while four ULBs (Balasore, Barbil, Baripada and Phulbani) could not rise above 50 *per cent*.
- No Livelihood / Skill Needs Assessment survey and market survey had been conducted in any of the test checked ULBs during the entire audit period. Thus, the skills imparted did not bear any relevance to the requirement of employers.
- In 10 out of 12 test checked ULBs, selection of candidates were made for the year 2012-13 by conducting Mela while in Burla and Bhanjanagar NAC, selections were made by formal notice and newspaper publication.
- Training provided was not related to manufacturing activity, local skill and local crafts and hence was not useful for the beneficiaries.
- The component requires preparation of a list of employers and setting up a dialogue with sector/industry associations as the first step to understand the skill training needs and likely number of jobs. However, the same was not done in any of the test checked ULBs.
- As per para 6.4 of SJSRY guidelines, skill training is to be conducted through PPP mode with the involvement of reputed institutions. But, no training was conducted through PPP mode in any of the ULBs.
- HUDD stipulated (August 2012) 30 hours compulsory soft skill training covering etiquettes, interaction with others, Spoken English etc. for inclusion in the training curriculum in addition to the approved training duration. But out of 14,280 urban poor trained, only 4,843 (34 *per cent*) were provided soft skill training.

The EO of two ULBs (Bargarh and Barbil) stated (June 2015) that training institutions had not submitted their placement report while other two (Balasore and BeMC) stated (August 2015) that all the training institutions had been instructed several times to provide placement.

6.1.12 Fund management

As per guidelines, the funding pattern of SJSRY is to be shared between the

Centre and the States in the ratio of 75:25. The State Urban Development Agency (SUDA) is the nodal agency which manages the funds released under the scheme. During 2011-12 to 2014-15, SUDA received ₹ 60.56 crore as Central share and ₹ 22.50 crore as State share and released ₹ 49.26 crore to all ULBs. SUDA incurred an expenditure of ₹ 34.08 crore towards STEP UP, A&OE and IEC from the above fund and had unspent amount of ₹ 7.69 lakh as of March 2015.

Further scrutiny of records of 12 test checked ULBs revealed that ₹ 1.32 crore also remained unspent at ULB level as shown below.

Table 6.4: Statement showing unspent balance of test checked ULBs (₹ in crore)

Name of the ULB	OB	Receipt during 2011-15	Interest accrued	Total	Expenditure during 2011-15	%age of expenditure	Unspent balance
Angul	0.15	0.43	0.04	0.62	0.48	77	0.14
Dhenkanal	0.25	0.83	0.01	1.09	1.02	93	0.07
Baragarh	0.31	0.66	0.02	0.99	0.95	97	0.03
Burla	0.34	0.16	0.05	0.55	0.40	73	0.15
Barabil	0.11	0.77	0.02	0.90	1.03	115	-0.13
Baripada	0.86	0.43	0.07	1.36	1.25	92	0.11
Balasore	0.61	0.66	0.05	1.32	1.13	85	0.19
Berhampur	2.36	7.69	0.22	10.27	9.92	97	0.35
Phulbani	0.17	0.38	0.02	0.57	0.45	78	0.12
Bellaguntha	0.09	0.05	0.01	0.15	0.13	87	0.02
Bhanjanagar	0.11	0.06	0.02	0.19	0.18	95	0.01
Bhawanipatna	0.25	0.58	0.09	0.92	0.66	72	0.26
Total				18.93	17.60	93	1.32

(Source: Figures furnished by the ULBs)

As could be seen from the above table, during 2011-12 to 2014-15, the expenditure in the ULBs ranged from 72 (Bhawanipatna) to 115 per cent (Barbil) and ₹1.32 crore remained unspent as of May 2015. As the scheme was closed since September 2013, retention of the fund was irregular.

The EOs of test checked ULBs stated that the funds would be utilised under National Urban Livelihood Mission / Odisha Urban Livelihood Mission.

6.1.12.1 Expenditure after cut-off date

As per HUDD instruction (November 2013), SJSRY had been restructured as National Urban Livelihoods Mission (NULM) w.e.f. September 2013. All committed liabilities of concerned ULBs on implementation of phased out SJSRY were to be settled before migrating to NULM on or before 15 November 2013. Unspent SJSRY fund as of 30 November 2013 is to be treated as opening balance of NULM.

Scrutiny of records of ULBs of Angul, Phulbani and Bhawanipatna revealed that the ULBs had paid (February-May 2014) an amount of ₹ 13.55 lakh⁸ to Bank towards subsidy under USEP and UWSP after the cut-off date in contravention of the Government instruction.

The EOs stated that subsidy amount was paid to bank on demand of beneficiary and loan sanctioning bank.

The reply is not acceptable as the ULBs should have planned release of subsidy prior to grant of loan.

6.1.13 Monitoring

As per guidelines, SJSRY accords utmost importance to monitoring of various components and sub-components. The States are required to send Quarterly Progress Reports (QPRs) in prescribed formats with regards to targets and achievements and other progress reports required by GoI. The State had to establish suitable monitoring mechanisms and ensure weekly reporting by ULBs regarding the progress of various components of the scheme.

At the State level, a State Level Monitoring Committee having members from the Banks, Micro Finance Institutions, Civil Society and other stakeholders is to be set up to effectively monitor the Scheme. This Committee is to meet at least once in every three months. Audit found that though the Committee was formed, no meeting was held during the audit period.

At the ULB level, an Urban Poverty Alleviation and Livelihood Development Cell is to coordinate and implement the scheme with a suitable monitoring system put in place. UPA Programme Co-ordination and Monitoring Committee is to be constituted and the committee is to meet once in every fortnight to facilitate / coordinate / implement and review various tasks of Town UPA Cell.

Scrutiny of records of 12 ULBs revealed that no such Cell or Committee was constituted to facilitate/coordinate/implement the scheme. As such, monitoring of the scheme at ULB level was not effective and adequate.

6.1.13.1 Non maintenance of permanent records

As per Paragraph 4.2.8 of SJSRY guidelines, in order to avoid duplication with the ongoing Prime Minister's Employment Generation Programme (PMEGP), a

⁸ Angul ₹ 5.25 lakh, Phulbani ₹ 0.50 lakh and Bhawanipatna ₹ 7.80 lakh

beneficiary declaration is required and the list of beneficiaries was to be shared with PMEGP to rule out duplication of coverage. A database is required to be developed at ULB level.

It was, however, seen that no such records / database were maintained in 12 test checked ULBs to avoid such duplication of coverage. Further, in one ULB (Bargarh), Audit found that one beneficiary had availed loan amounting ₹ 50,000 under SJSRY and ₹ 3.04 lakh under PMEGP. However, the loan account under SJSRY was closed in January 2014.

Thus, in absence of database, such type of duplication of coverage of SJSRY and PMEGP schemes cannot be ruled out in other ULBs of the State.

6.2 Unfruitful expenditure

Construction of Picnic spot at Sargitalia in forest area, without forest clearance resulted in unfruitful expenditure of ₹ 50.09 lakh.

The Council of Joda Municipality decided (27 December 2013) to construct a picnic spot in the name of “*Punyotaya Eco Park*” at Sargitalia in Ward No.13 of the Municipality on the bank of River Baitarani. It was also decided to construct Eco Forest Park, road, drain, guard wall, Bath Ghat and parking place, etc. for its periphery development. Accordingly, 14 work orders involving ₹ 87.55 lakh were issued to three contractors and one supplier between February 2014 and July 2014 with instructions to complete the work within 90 days.

Audit scrutiny revealed that an amount of ₹ 50.09 lakh was paid (February 2014 and May 2015) by the municipality from its own fund to the supplier and contractors for 14 works such as special repair of CC road, construction of statue, retaining wall, guard wall, steps and platform. Out of these, only one work was completed with expenditure of ₹ 8.25 lakh.

The Forest Range Officer, Champua Range issued (July 2014) a show cause notice to the Executive Officer (EO), Joda Municipality for violation of Forest Conservation Act by constructing a park on seven plots (Khata No.63)



Picnic spot lying incomplete at Sargitalia

inside the revenue forest area without forest clearance. As a result the construction works were stopped (September 2014).

The reasons for such lapses were attributed to:-

- Though the Council had decided to construct the facility at Ward No.13 i.e. within the municipal area, particular area of land was not identified and the ownership of the land was not verified by the EO after decision of the Council and before commencement of the work. In addition, detailed project report was not prepared before execution of the project for seeking approval from the competent authority.
- As per Section 117(A) of the Odisha Municipal Act, prior approval of the Municipal Director was to be taken for any project even though there was a budget provision. But, the ULB did not make specific allocation of funds in the budget 2014-15 and had sought approval of the works in April 2015 though the work had already started in February 2015.

The Executive Officer (EO) replied (March 2015) that the work had started in anticipation of receipt of permissive possession and it was the pressure of Council to complete the work prior to picnic season i.e. November. The fact, however, remains that the EO went on with the work without ascertaining the ownership of the land and without taking approval of the Government prior to incurring expenditure.

Thus, the decision of the EO to construct the picnic spot in a site without ascertaining the ownership of the land resulted in unfruitful expenditure of ₹ 50.09 lakh.

6.3 Loss of revenue

Berhampur Municipal Corporation sustained a loss of revenue of ₹ 1.62 crore due to incorrect cancellation of tender on advertisement rights.

Section 241 (3) of Orissa Municipal Corporation Act provides for grant or renewal of a license for erecting, exhibiting, fixing or retaining upon or over any land building, wall, hoarding, frame, post, kiosk, structure, vehicle, neon-sign or sky sign any advertisement or display any advertisement to public view in any manner within Corporation area by the Commissioner on payment of such fees as may be determined by regulations.

The Municipal Commissioner, Berhampur Municipal Corporation (BeMC)

invited (December 2012) sealed offers from the intending advertising agencies / registered firms / agencies / individuals for displaying advertisements on hoardings / kiosks/ bulletins over public place and road side. Three firms submitted their offer out of which M/s XL-ENT Advertising Agencies (XLAA) had quoted highest rate of ₹ 60 lakh per annum with 15 *per cent* increase every year. The offer was accepted (February 2013) by the BeMC and the agency was directed to execute agreement within seven days from the date of acceptance of offer. In response to the offer, the agency asked (March and April 2013) for the following information before execution of the agreement.

- a) Sketch map of total area for erection of hoardings suitable for advertisement business,
- b) Sketch map of total municipal electric poles for erection of kiosks and
- c) Sketch map of the area where bulletin boards were to be erected.

The Commissioner BeMC, instead of furnishing the above information cancelled (April 2013) the tender. The Municipal Corporation decided (15 April 2013) to forfeit the Earnest Money Deposit (EMD) of ₹ 1.20 lakh and bank guarantee of ₹ 20 lakh to compensate the loss to the Corporation.

Being aggrieved with this, the agency approached Hon'ble High Court of Orissa on 12 April 2013 and the Court directed (18 April 2013) that no coercive action should be taken against the petitioner till 15 May 2013. Based on High Court's directives, the firm continued its business as usual without any payment to BeMC. The writ petition of the agency was dismissed in March 2014 by the Hon'ble High Court but by that time, the bank guarantee of ₹ 20 lakh had lost its validity on 22 February 2014. The Municipal Commissioner intimated (April 2014) the Collector, Ganjam about the loss of revenue amounting to ₹ 1.19 crore from the agency. Subsequently, the agency was blacklisted (June 2014) and case was filed against the agency under Orissa Public Demand Recovery Act, 1962 to recover the outstanding dues through legal process. However, the amount was not recovered till the date of audit. Loss of revenue till 31 July 2015 was ₹ 1.62 crore.

Thus, failure to provide the requisite information on sketch maps to the firm for drawing the agreement, the Corporation sustained loss of revenue of ₹ 1.62 crore for the period from February 2013 to July 2015. Even, BeMC had not insisted on legal opinion of Government Advocates for collection of the Bank guarantee of ₹ 20 lakh within the validity period (22 February 2014).

In reply, the Commissioner stated (August 2015) that the Corporation has

evicted the unauthorised hoardings since April 2013 and had collected ₹ 53.66 lakh from private agencies during 2012-15.

The reply of the Commissioner is not acceptable as the amount collected is from the agencies other than XLAA and the locations were different. Thus, failure of the Commissioner to provide requisite documents for execution of agreement resulted in loss of revenue of ₹ 1.62 crore.

Bhubaneswar
The ----- day of ----2015

(S. LAKSHMI NARASIMHAN)
Deputy Accountant General
(Social Sector Audit-I)

Countersigned

Bhubaneswar
The ----- day of ----2015

(R. AMBALAVANAN)
Accountant General
(General and Social Sector Audit)

APPENDICES

Appendix 1.1
(Refer paragraph 1.3)

Statement showing devolution of 29 functions of the State Government to PRIs

Sl. No.	Function to be devolved	Date of transfer
1	Agriculture, including Agricultural extension	25.10.2005
2	Land improvement, implementation of land reforms, land consolidation and soil conservation	25.10.2005
3	Minor irrigation, water management and watershed development	25.10.2005
4	Animal husbandry, dairying and poultry	25.10.2005
5	Fisheries	25.10.2005
6	Social forestry and Farm Forestry	Not yet transferred
7	Minor Forest Produce	25.10.2005
8	Small scale industries, including food processing industries	Not yet transferred
9	Khadi, village and cottage industry	Not yet transferred
10	Rural Housing	25.10.2005
11	Drinking Water	25.10.2005
12	Fuel and fodder	Not yet transferred
13	Roads, culverts, bridges, ferries, waterways and other means of communication	25.10.2005
14	Rural electrification, including distribution of electricity	Not yet transferred
15	Non-conventional energy sources	25.10.2005
16	Poverty alleviation programme	25.10.2005
17	Primary education	25.10.2005
18	Technical training and vocational education	Not yet transferred
19	Adult and non-formal education	25.10.2005
20	Libraries	Not yet transferred
21	Cultural activities	Not yet transferred
22	Markets and fairs	25.10.2005
23	Health and sanitation, including hospitals, primary health centres and dispensaries	25.10.2005
24	Family welfare	25.10.2005
25	Women and Child Development	25.10.2005
26	Social Welfare, including welfare of the handicapped and mentally retarded	25.10.2005
27	Welfare of weaker sections, and in particular of the SC and ST	25.10.2005
28	Public Distribution System	25.10.2005
29	Maintenance of community assets	25.10.2005

(Source: Information collected from PR Department)

Appendix 1.2
(Refer paragraph 1.5)

Statement showing functions of Standing Committee

Tier	Sl. No.	Subjects under each committee
Zilla Parishad	1	Planning, Finance, Anti-Poverty Programme and Co-ordination
	2	Agriculture, Animal Husbandry, Soil Conservation, Horticulture, Watershed Development and Fisheries
	3	Works, Irrigation, Electricity, Drinking Water-Supply and Rural Sanitation
	4	Health, Social Welfare including Women and Child Development
	5	Public Distribution System, Welfare of Weaker Section, Forest, Fuel and Fodder
	6	Handicrafts, Cottage Industry Khadi and Village Industries and Rural Housing
	7	Education, Sports and Culture
Panchayat Samiti	1	Planning, Finance, Anti-poverty Programme and Coordination
	2	Agriculture, Animal Husbandry, Soil Conservation, Horticulture, Watershed Development and Fisheries
	3	Works, Irrigation, Electricity, Drinking Water Supply and Rural Sanitation
	4	Health, Social Welfare including Women and Child Development
	5	Public Distribution System, Welfare of Weaker Section, Forest, Fuel and Fodder
	6	Handicrafts, Cottage Industry, Khadi and Village Industries and Rural Housing
	7	Education, Sports and Culture
Gram Panchayat	1	Planning, Finance and Budget
	2	Agriculture, Minor Irrigation, Co-operation, Industries and other allied Schemes
	3	Education, Health and Sanitation including Rural Water Supply
	4	Welfare of Weaker Sections of Society
	5	Communication

(Source: Information collected from the PRI Manuals)

Appendix 2.1
(Refer paragraph 2.1.5)

Details of Sample Units checked

Name of the DMMUs	Name of the BMMUs	Name of the GP/GPLFs	Name of the SHGs
Kandhamal	Chakapada	Sankarkhol	Maa Rudrakali
			Sabitri
			Nabajyoti
			Banadevi
			Bishnupriya
		Chakapada	Maa Rudrakali
			Brahmani Devi
			Birupakhya
			Maa Tarini Group
			Maa Brundabati
	Balliguda	Balliguda	Maa Shibani
			Maa Thakurani
			Maa Shakti
			Annapurna
			Banashree
		Mediakia	Maa Jivan Jyoti
			Maa Tarini
			Maa Laxmi
			Maa Mahamayee
			Maa Saraswati
	Phulbani	Bisipada	Maa Sita Thakurani
			Maa Bhagabati
		Duduki	Narayani
			Mahila Mandal
		Gumagarh	Nrusingha Nath
			Maa Basumati
		Keredi	Maa Kalijai
			Patakhanda
		Tudipaju	Narayani
			Maa Barali
Sambalpur	Jamankira	Jamankira	Jay Santoshi Mata
			Maa Subhadra
			Maa Mahamayee
			Sri Laxmi
			Maa Durga
		Kenadipha	Maa Shubadra
			Maa Tarini
			Maa Adisakti
			Maa Bhagyabati
			Maa Tarini
	Kuchinda	Salebari	Maa Rambhavati
			Maa Sarala
			Jyoti
			Maa Durga
		Paruabadi	Maa Mother Teresa
			Maa Shaktimayee
			Pratibha
			Shree Laxmi
Mayurbhanj	Kusumi	Mahalaxmi	Maa Banadurga
			Maa Maina
			Maa Rajeshwari
			Sagun Supali
			Jhul umul
		Maa Jagat Janani	Shakti Mariam
			Maa Sarala
			Maa Durga
			Indra
			Subhadra
	Jashipur	Akash	Maa Jageswari
			Biswa Maa Basanti
			Biswa KGN
			Om Shakti
			Maa Basanti

Name of the DMMUs	Name of the BMMUs	Name of the GP/GPLFs	Name of the SHGs
		Maa Jagat Janani	Jay Badam
			Maa Kamalini
			Krishna Caveri
			Om Sidhaya
			Maa Mandaramalini
	Morada	Haldipal	Joy guru
			Baba Harisankar
			Jahar Ayo
			Baba Chitreswar
			Maa Durga
		Gadia	Maa Santoshi
			Maa Kala maharani
			Bighneswari
			Baba Sairam
			Baba Bisheswar
Ganjam	Ganjam	Humma	Maa Brundabati
			Maa Budhithakurani
			Sri Ganesh
			Nilakantheswar
			Jai Hanuman
		Ramgarh	Maa Saraswati
			Maa Kalijai
			Maa Mangala
			Gajalaxmi
			Thakur Abhiram
Rayagada	Chandrapur	Bijapur	Amma Bhagawan
			Gaudhani
			Sarbajyoti
			Maa Durga
			Ramji
		Jivan jyoti	Parvati
			Fatima Janani
			Easter
			Gayatri
			Priyadarshini
Koraput	Kotpad	Dhamanahandi	Pabitra
			Jai Jhadeswar
			Maa Kanak Dei
			Maa Gojbayani
			Jyotirmayee
		Guali	Biswa Satkabir
			Sugyani
			Maa Damayanti
			Maa Bijaya Laxmi
			Radhakrushna
Sundargarh	Tangarpalli	Dhanalaxmi	Maa Tarini
			Maa Jagadhatri
			Maa Tarini
			Priti
			Shubhalaxmi
		Gambharidihi	Bangashree
			Mariyam
			Kripa
			Jay Dharam
			IMK
Nuapada	Sinapali	Maa Bairabhi	Maa Thakurani
			Maa Thakurani
			Maa Pahadbhandar
			Bandhapada
			Saraswati
		Swayam Sidha	Maa Sarala
			Maa Mahalaxmi
			Maa Ganjadi
			Maa Dakinakali
			Alek Mahima

Appendix-2.2
(Refer paragraph 2.1.7.1)

Details of receipt and utilisation of funds by DMMUs and BMMUs

(A) DMMUs

(₹ in crore)

Sl. No.	Name of the DMMU	Receipt in 2012-15	Interest and others during 2012-15	Total during 2012-15	Expenditure during 2012-15	CB as on 31.03.2015	Spending efficiency (in per cent)
1	Ganjam	21.25	1.30	22.55	21.64	0.90	99
2	Kandhamal	12.20	0.31	12.51	12.40	0.11	99
3	Mayurbhanj	4.59	0.23	4.82	4.25	0.57	96
4	Nuapada	3.90	0.02	3.92	3.80	0.12	97
5	Rayagada	12.68	0.21	12.89	12.58	0.31	95
6	Sambalpur	13.32	0.82	14.14	14.02	0.12	88
7	Sundargarh	15.16	0.26	15.42	14.63	0.79	98
8	Koraput	14.14	0.38	14.52	14.38	0.14	99
Total		97.24	3.53	100.77	97.7	3.06	97

(Source: Compiled by Audit from the records of test checked DRDAs)

(B) BMMUs

(₹ in lakh)

Sl. No.	Name of the BMMU	Receipt during 2012-15	Interest and others during 2012-15	Total during 2012-15	Expenditure from 2012-15	CB as on 31.03.2015	Spending efficiency (In per cent)
1	Balliguda	149.02	0.99	150.01	143.84	6.17	95
2	Chakapada	132.77	1.76	134.53	122.56	11.97	91
3	Chandrapur	106.46	3.42	109.88	108.27	1.61	99
4	Ganjam	70.46	0.45	70.91	69.98	0.93	99
5	Jamankira	217.29	2.13	219.42	200.93	18.49	92
6	Jashipur	177.86	1.90	179.76	75.18	104.58	42
7	Kuchinda	176.85	2.30	179.15	156.97	22.18	88
8	Kusumi	157.39	0.00	157.39	109.81	47.58	70
9	Phulbani Sadar	63.01	0.69	63.70	56.50	7.20	89
10	Sinapali	94.35	1.30	95.65	86.72	8.39	91
11	Tangapali	193.55	1.67	195.22	180.07	15.15	92
12	Morada	185.12	0.20	202.27	145.55	37.57	72
13	Kotpad	148.67	0.83	169.72	132.90	166.01	78
Total		1872.8	17.64	1927.61	1589.28	447.83	82

(Source: Compiled by Audit from the records of test checked PSs)

Appendix-2.3
(Refer paragraph 2.1.8.8)

Details of posts sanctioned and men-in-position

Implementation Level	Name of the Post	No. of Posts sanctioned	Men-in-position	No. of Posts vacant	Percentage of vacancy	Remarks
State Mission Management Unit	SMD-cum-CEO	1	1	0	0	Deputed from State Govt.
	Addl. CEO	3	3	0	0	-do-
	Deputy CEO	7	1	6	86	Appointed on contractual basis
	Project Manager	17	5	12	71	-do-
	Project Executive	26	8	18	69	-do-
	Project Assistant	9	1	8	89	-do-
District Mission Management Unit	District Mission Director-cum-Collector	30	30	0	0	Ex-Officio
	District Mission Coordinator-cum-PD,DRDA	30	30	0	0	-do-
	District Project Manager	30	19	11	37	Appointed on contractual basis
	Project Manager	90	0	90	100	-do-
	Project Executive	180	60	120	67	-do-
	Project Assistant	30	0	30	100	-do-
	Cashier	30	0	30	100	-do-
	Block Project Manager	314	174	140	45	Appointed on contractual basis
Block Mission Management Unit	Institution Building Coordinator	314	15	299	95	-do-
	Livelihood Coordinator	314	17	297	95	-do-
	Financial Inclusion Coordinator	314	22	292	93	-do-
	Skill Development Coordinator	118	47	71	60	-do-
	Accountant	314	124	190	61	-do-
	Project Assistant	314	0	314	100	-do-
	TOTAL	2485	557	1928		

(Source: Odisha Livelihoods Mission, Bhubaneswar)

Appendix-3.1
(Refer Paragraph 3.1.2.9)
Statement showing blocking of fund due to non-execution of project out of ZP share

Sl. No.	Name of the District	Name of the Block	Name of GP	Year	Date of release	Name of the Work	Estimated cost (₹ in lakh)
1.	Kendrapara	Mahakalapada	Bijayanagar	2014-15	31.03.2015	Constuction of Garveswar Mahadev Mandir Kalyan Mandap	3.00
2.			Mohakalapada		31.03.2015	Construction of Nigamananda Nodal U.P School C.C Road	3.00
3.			Tikarpanga		31.03.2015	Construction of CC road from Dhira Sethy House to Grama Thakurani	3.00
4.			Gagua		31.03.2015	Construction of Badarahama Dadhibamanjew Kalyan Mandap	2.00
5.			Baradanga		31.03.2015	Construction of CC road from R.D road to Bahar Sobala Ghata	1.00
6.			Ramnagar		31.03.2015	Construction of CC road from Ramachandi road to Nityananda Parida House	3.00
7.		Marshaghai	Girang	2013-14	14.12.2013	Construction of Culvert at Asurakhala Road to Giranga middle point	1.00
8.			Bachhara	2014-15	31.03.2015	Construction of CC road from Balikuda Matha to Balikuda village	3.00
9.			Marshaghai		31.03.2015	Construction of CC road from Govt. High school gate to RD Road	3.00
10.			Akhua	31.03.2015	Construction of CC road from Odagaon chhak Podana village	3.00	
11.	Dhenkanal	Pattamundai	Kharianta	2013-14	04.12.2013	Construction of Jigarana village road	2.00
12.			Andhara	2014-15	31.03.2015	CC road from Birajena house to Ajit firm house	3.00
13.			Khadiana		31.03.2015	CC road at Radharani campus	1.00
14.			Khadiana		31.03.2015	CC Road from Sachidananda Patra house to PR Road	2.00
15.			Balabhadrapur		31.03.2015	Culvert at mid point of Chakradhari Patana chatar road	2.00
16.			Balabhadrapur		31.03.2015	Culvert at mid point of Balipatana Dia Nali road	1.00
17.		Hindol	Hindol	2014-15	11.03.2015	Construction of BP Kote Gaudasahi CC Road	3.51
18.					11.03.2015	Construction of Sabar Sahi School Road with Culvert	3.55
19.			Parjang		11.03.2015	Construction of Muktaposi Kalyan Mandap	3.51
20.			Marthapur		11.03.2015	CC Road from Abhi Sahoo house to Pokhari Road	3.51
21.	Koraput	Pottangi	G N Prasad	2014-15	11.03.2015	Issara Kalyan Mandap Balijhati	3.51
22.			Bhusal		11.03.2015	Kanchanbali Dehuri sahi CC road	3.51
23.			Sambai		19.11.2014	Construction of CC Road at Mondalguda under Sambai GP	3.51
24.			Pukali		19.11.2014	Construction of Field Channel near Maliguda under Pukali GP	3.51
25.		Jeypore	San Dumurguda	2014-15	19.11.2014	Construction of CC road at Sana Dumurguda	3.51
26.			Umuri		19.11.2014	Construction of CC road from Umuri NH to Sevashram.	3.51
27.			Raniguda		19.11.2014	Construction of concrete flooring in Raniguda G.P Office	3.51
Total							74.65

(Source: Compiled by Audit from the test checked PSs)

Appendix 3.2
(Refer Paragraph 3.1.2.10)
Statement of inadmissible projects out of SFC fund

Sl. No.	Name of the Block	Name of the GP	Name of the work	Case Record No.	Work Order No./ Date	Actual cost (₹ in lakh)	Remarks
1	Mahakalapada	Mangalpur	CC road inside UP School	-	1/12/2011	2.40	Not fulfilling connectivity criteria
2			CC road from RD Road to Managalpur UP School	-	1/1.1.2014	1.43	On joint physical inspection it was noticed that the work was executed inside UP school
3			CC road in front of GP Office, Managalpur	2/12-13	2/4.3.2013	1.23	On joint physical inspection it was noticed that the concrete platform was executed inside the campus of GP office
4			CC road from embankment to Gorekhnath	12-13		1.00	On joint physical inspection it was noticed that the CC Mandap in front of Gorekhnath Idol was constructed in the nomenclature of CC road
5	Marshaghai	Raghabpur Beruhan	Concrete platform of GP office	5/12-13	25/30.11.2012	1.00	Not fulfilling connectivity criteria
6			CC Road from Bhagawanpur RD Road to Udayabata	2/13-14	1/3.2.2013	1.23	On joint physical inspection it was noticed that the road was constructed inside the School premises
7			concrete of Dolagobinda Jiew UP school	11-12	13/18.2.2013	1.00	CC floor constructed in the premises of School
8			Concrete of GP Boundary	12-13	16/18.2.2013	1.00	Not fulfilling connectivity criteria
9	Hindol	Jamapada	CC Road from Nimat Swain house to Jamapara GP	2/12-13	9/20.2.2015	1.23	On joint physical inspection it was noticed that the concrete platform was constructed inside the GP premises
10			CC Road from Telitalia to Bangu golei road	14/11-12	729/5.5.2012	3.00	On joint physical inspection it was noticed that the road from Telitalia to Bangu Golei was constructed with metal and Morum instead of cement concrete
11			Construction of community centre	2/11-12	89/2.12.2011	0.80	
12			GP Office CC Road	6/12-13	11/30.7.2012	1.00	On joint physical inspection it was noticed that the concrete platform was constructed inside the GP premises
13	Mahakalapada	Badkul	GP Office CC Road	13/12-13	4/1.12.2013	1.00	On joint physical inspection it was noticed that the road was constructed inside premises GP
14			Construction of concrete platform in Atamprahari Gadi premises	7/12-13	2999/19.11.2012	1.50	Not fulfilling connectivity criteria
15			Construction of Ramachandi Mandap	8/12-13	2998/19.11.2012	0.50	Not fulfilling connectivity criteria
16			CC Road at block premises with drain	2/12-13	2727/16.10.2012	5.00	Not fulfilling connectivity criteria
17	Marshaghai	Marshaghai	CC Road from RD road to block office with concrete gate	180/13-14	2774/1-8-2013	1.76	Not fulfilling connectivity criteria
18			Replacement of Mahatma Gandhi Statue			0.67	Not fulfilling connectivity criteria
19			CC road from R&B road to Kalpataru Banchnabata	350/13-14	3859/31.10.2013	2.00	Not fulfilling connectivity criteria
20			Repair of road from Parjang Bazar to	9/12-13	535dt.20.10.2012	2.60	Not fulfilling connectivity criteria

Sl. No.	Name of the Block	Name of the GP	Name of the work	Case Record No.	Work Order No./ Date	Actual cost (₹ in lakh)	Remarks
21		Kankadasada	Block office Kankadasada RD Road to school	8/12-13	1122/8.4.2013	2.05	On joint physical inspection it was noticed that road was constructed within the school premises
22	Portangi	Gangarajpur	Protection wall at Badagon	37/12-13	128/10.1.2013	3.00	Not fulfilling connectivity criteria
23		Maliput	Constn of culvert and protection wall of Champakanda	41/12-13	3076/10.12.2012	2.50	Not fulfilling connectivity criteria
24	Jeypore	Badjiuna	Constn of Rest shed at Goudaguda	241/13-14	875/4.3.2014	3.00	Not commenced
25		Kamaliput	Constn of Rest shed at Haridaput	240/13-14	867/4.3.2014	4.00	Not commenced
26	Kotpad	Kotpad	Improvement of road from Block office to block godown	62/14-15	62/11.9.2014	1.00	Not admissible as per the provision in the sanction order
27		Kotpad	Renovation of Chairman's chamber	-	-	3.00	Not fulfilling connectivity criteria
28		Chandili	Construction of guard wall at Majhiguda to Erapalli	9/12-13	1007 / 23.5.2013	4.57	Not fulfilling connectivity criteria
Total						54.47	

(Source: Compiled by Audit from the test checked PSs)

Appendix 3.3
(Refer Paragraph 3.1.2.12)

Statement showing blocking of fund due to non-execution of project out of PS share

Sl. No.	Name of the District	Name of the Block	Year	Name of the Work	Estimated cost (₹ in lakh)	Work order No. and date	Delay in commencement as on date of Audit (Days)
1.	Kendrapara	Mahakalpara	2011-12	Construction of CC Road of Babar Medical Road	3.00	2110/30.3.2015	38
2.			2013-14	Construction of CC Road from Sarat Jena house to Giridhari Kundu house	3.00	2111/30.3.2015	38
3.				Construction of CC road from Khasadi thakurani to Gopinathpur Village	2.00	1182/9.2.2015	87
4.				Construction of Culvert from Jagatpada to Medical road	1.50	5208/24.11.2014	164
5.				Construction of Saramui Kochila CC Road	2.00	1480/23.2.2015	73
6.	Dhenkanal	Hindol	2011-12	Construction of CC road from Gajaburi to Brahmanidevi	4.00	986/22.3.2013	833
7.	Koraput	Pottangi	2014-15	Interior Design and sitting facilities in Block Office in the Conference hall	5.00	813/8.5.2015	108
8.				Retain of CC Road and drain in Block Office Premises	2.00	811/8.5.2015	108
9.				Up-gradation of BDO's office and alteration of additional office room	5.00	809/8.5.2015	108
10.				Construction of Block Office Boundary Wall	1.00	807/8.5.2015	108
11.			Jeypore	2012-13	Construction of CC road at village Solapiaguda	3.00	NA/NA
12.			2013-14	Construction of rest shed building at Haridapal	4.00	867/4.3.2014	548
13.				Renovation of Block Office I.B	1.00	NA/NA	NA
14.				Colour washing and other maintenance to the staff quarters	2.00	NA/NA	NA
15.				Repair and renovation of OSWAN & computer room	1.00	NA/NA	NA
16.			Kotpad	2013-14	Construction of culvert and CD work at school road to village near Sundhiguda	4.00	57/11.9.2014
17.			2014-15	Beautification of Block premises	3.00	Not issued	NA
18.				Repair, renovation and maintenance of staff quarters	3.00	Not issued	NA
19.				Repair, renovation and maintenance of Block office	5.00	Not issued	NA
20.				Construction of rest shed for general public at block premises	2.00	Not issued	NA
Total					56.50		

(Source: Compiled by Audit from the test checked PSs)

Appendix 3.4
(Refer Paragraph 3.1.2.15)
Statement of execution of works by splitting of estimates to avoid the tender

Name of the PS	Year of release	Amount released (₹ in lakh)	CR No.	Name of the works	Estimated cost (₹ in lakh)	Value of work done (₹ in lakh)	Status of work
Hindol	2014-15	16.00	1/14-15	Repair of Staff Quarters	2.00	2.00	Completed
			2/14-15	Restoration of meeting hall	5.00	5.00	Completed
			3/14-15	Restoration of staff Quarters	1.50	1.05	Completed
	2013-14	15.00	5/14-15	Construction of Garage and CC Road in block office	5.00	5.00	Completed
			6/14-15	Restoration of BDO Quarters	2.50	0.00	In progress
			155/13-14	M/R of Block Office building (Ph-I)	4.00	4.00	Completed
Parjang	2013-14	5.89	156/13-14	M/R of Block Office building (Ph-II)	4.00	4.00	Completed
			160/13-14	M/R of Block Office building (Ph-III)	4.00	4.00	Completed
			157/13-14	M/R of Block Office building (Ph-IV)	3.00	2.94	Completed
	2013-14	5.89	3/13-14	Repair of Block quarters at Parjang Block Colony Parjang Block	1.75	1.75	Completed
			5/13-14	Repair of Block Quarter -II at Parjang Block, Parjang	2.07	2.07	Completed
			6/13-14	Repair of Block Office and Quarter-III at Parjang Block	2.07	2.07	Completed
Bhuban	2013-14	15.00	2/13-14	M/R of Panchayat Samiti Office building (1 st floor)	5.00	4.75	Completed
			3/13-14	M/R of Panchayat Samiti Office building (sanitation & electrification)	5.00	4.70	Completed
			4/13-14	M/R of Panchayat Samiti Office building (Ground floor)	5.00	3.44	In progress
	2014-15	25.00	245/14-15	Interior design and sitting facilities in Block Office conference hall	5.00	0.00	In progress
				Repair/white washing/colouring/painting and vitrified tiles in Block Office	3.00	0.00	In progress
			246/14-15	Retain of CC Road and drain in Block Office premises	2.00	0.00	In progress
Pottangi	2014-15	25.00	247/14-15	Up-gradation of BDO's chamber and alteration of additional office room	5.00	0.00	In progress
				Extension of block guest house	2.00	0.00	In progress
				Construction of public toilet in Block Office premises	2.00	0.00	In progress
	2013-14	13.00	248/14-15	Water supply facilities in Block Office premises	4.50	0.00	In progress
				Construction of block office boundary wall	1.00	0.00	In progress
				Electrification and wiring of Block Office	0.50	0.00	In progress
Jeypore	2013-14	13.00	1/14-15	Repair of staff Quarters of Extension Officers of Block Colony	3.00	Not Available	In progress
			4/14-15	Colour washing and other maintenance to the staff Quarters	2.00	Not Available	In progress
			5/14-15	Repair of staff qrs. of LSEO Quarters	2.00	Not Available	In progress

Name of the PS	Year of release	Amount released (₹ in lakh)	CR No.	Name of the works	Estimated cost (₹ in lakh)	Value of work done (₹ in lakh)	Status of work
Kotpad	2014-15	29.00	2/14-15	Renovation of BDO Quarters	2.00	Not Available	In progress
			7/14-15	Repair of GPTA Quarters	2.00	Not Available	In progress
			8/14-15	Construction of compound wall around the block colony	2.00	Not Available	In progress
			16/15-16	Construction of one staff quarter (4 th Grade) at Block colony	5.00	2.99	In progress
			17/15-16	Construction of one staff quarter (AE) at Block colony	5.00	2.89	In progress
			63/15-16	Repair, renovation and maintenance of block office	5.00	Not Available	In progress
			19/15-16	Provision of water supply and toilet in block premises	3.00	Not Available	In progress
			62/15-16	Beautification of block premises	3.00	Not Available	In progress
			61/15-16	Repair, renovation and maintenance of staff quarters	3.00	Not Available	In progress
				Construction of compound wall at block colony	5.00	Not Available	In progress

(Source: Compiled by Audit from the test checked PSs)

Appendix 3.5
(Refer Paragraph 3.1.2.17)

Statement of works showing less execution of cement concrete

Name of the PS	Name of the GP	Name of the work	Case record No.	Work order No.	Estimated cost (₹ in lakh)	Specification executed (in mm)			Specification as per estimate (in mm)		
						Sand	CC (1:3:6)	CC (1:2:4)	Sand	CC (1:3:6)	CC (1:2:4)
Pattamundai	Bilikana	CC Road from RD Road to Samilianta	3/13-14	NA	2.00	100	75	75	100	100	100
	Bachhara	CC Road from Damodar Pradhan House to Brahmani River Ghat	1/11-12	20/11.12.2011	2.43	150	70	70	150	100	75
	Bachhara	CC Road from Mandapada Pabitra Samal house to Brahmani River	1/13-14	NA/10.3.2013	1.00	150	75	75	150	100	75
	Baluria	CC Road from Aul Ring Bandh to Arttabandhu Das house	6/12-13	10/20.1.2013	2.23	100	50	50	100	100	100
	Baluria	CC Road from Sidhabali Pitambar Tarai house to Bhakta Tarai House	2/11-12	31/9.12.2011	1.20	150	65	65	150	100	75
	Badamulabasanta	CC road from Gopalajena House to Dhabaleswar UP school	1/13-14	58/5.6.2013	2.00	100	70	70	100	100	100
	Kuhudi	CC Road with drain at Narendrapur	NA	34/25.7.2013	1.63	100	75	75	100	100	100
Marshaghai	Jamapara	CC road from RD Road to Gaudagaon school	NA	79/16.2.2013	2.00	100	75	75	100	100	75
	Beruhan	CC Road from RD road to Udaybhat school	1/12-13	1/3.2.2013	1.23	100	75	75	100	100	75
	Marshaghai	CC Road from RD Road to Tahasil Office	41/12-13	10.10.2012	2.00	100	75	75	100	100	75
	Marshaghai	CC Road from Mohapatra Sahi Near Bazar	99/12-13	28.12.2012	2.00	100	50	50	100	100	75
	N K Pur	Construction of Kapisahi Nuasahi CC Road	13-14	1.4.2013	2.00	100	75	75	100	100	100
Hindol	N K Pur	Alusingh Village CC Road	2011-12	NA	2.43	100	75	75	100	100	70
	Gandanali	Construction Iswarpal Mandirsahi to Mundiasahi CC Road	2014-15	41/17.11.2014	2.00	100	75	75	100	100	100
	Kadala	Kadala BarikSahi CC Road	13-14	NA	2.00	100	75	75	100	100	100
	PP Kote	Construction Of CC Road at Kankalulungara	1/13-14	25.6.2013	2.00	100	75	75	100	100	100
	PP Kote	CC Road at Kankalu	1/12-13	24.12.2012	2.00	50	45	45	100	100	75
Karanda		CC Road from Pump house to	153/13-14	253/	2.00	100	50	50	100	100	100

Name of the PS	Name of the GP	Name of the work	Case record No.	Work order No.	Estimated cost (₹ in lakh)	Specification executed (in mm)			Specification as per estimate (in mm)		
						Sand	CC (1:3:6)	CC (1:2:4)	Sand	CC (1:3:6)	CC (1:2:4)
Parjang	Kalda	PWD Road		6.9.2013							
		Construction of Bahalsahi Harijansahi CC Road	1/13-14	79/20.7.2013	2.00	100	75	75	100	100	100
Pottangi	Rallegada	CC Road at Rallegada	8/14-15	1503/10.7.2014	2.50	100	75	75	120	100	100
		CC Road from NH 26 to Jagannath Colony	1/13-14	1/17.5.2013	2.00	100	75	75	120	100	100
Jeypore	Deopottangi	CC Road at Salapada	316/11-12	3575/23.12.2011	2.00	50	75	75	50	100	75
	Bariniput	CC Road at Bamuniput	12/12-13	NA	3.00	100	75	75	150	100	50
	Dangarchinchi	CC Road at Barangut	2/12-13	NA	2.00	100	75	75	150	100	50
	Dhanpur	CC Road at Dhanpurharijansahi	1/12-13	15.9.2013	3.23	120	75	75	120	100	100
Kotpad	Gumuda	CC road at Basuli	143/13-14	548/4.3.2014	2.50	100	100	50	100	100	100
	Dhamanahandi	CC road at Bhunshi sahi	2/13-14	281/5.5.2013	2.00	60	50	50	75	100	75

(Source: Compiled by Audit from the test checked PSs)

Appendix 3.6
(Refer paragraph 3.2.2.3)

Delay in submission of Annual Action Plan and eventual delay in approval of the projects

Year	Name of the District	Name of the Block	No. of projects	Submission of proposals from PS to the DRDA		Project proposals approval by the DRDA		Period of delay (in months)
				Date due	Actual date of submission	Date due	Actual date of approval	
2012-13	Jagatsinghpur	JSP	168	31.12.2011	28.05.2012	31.01.2012	31.07.2012	6
		Balikuda	213	31.12.2011	02.06.2012	31.01.2012	31.07.2012	6
		Tirtol	250	31.12.2011	25.06.2012	31.01.2012	31.07.2012	6
	Balasore	Sadar	25	31.12.2011	25.07.2012	31.01.2012	05.09.2012 26.12.2012	7 10
2013-14	Bhadrak	Bahanaga	20	31.12.2011	25.07.2012	31.01.2012	20.10.2012 17.11.2012 14.01.2013 30.03.2013	8 9 11 13
		Remuna	38	31.12.2011	11.07.2012	31.01.2012	24.09.2012 17.11.2012 31.01.2013	7 9 12
		Bhandaripokhari	61	31.12.2011	27.07.2012	31.01.2012	31.07.2012	5
		Bonth	59	31.12.2011	01.08.2012	31.01.2012	06.08.2012	5
	Jagatsinghpur	Chandabali	119	31.12.2011	09.07.2012	31.01.2012	26.07.2012	5
		JSP	204	31.12.2012	14.03.2013	31.01.2013	28.04.2013	3
		Balikuda	141	31.12.2012	18.03.2013	31.01.2013	16.04.2013	2
		Tirtol	185	31.12.2012	12.03.2013	31.01.2013	16.04.2013	2
	Balasore	Balasore Sadar	85	31.12.2012	4.03.2013	31.01.2013	15.04.2013 28.02.2014	2 12
		Bahanaga	66	31.12.2012	12.04.2013	31.01.2013	15.04.2013	2
		Remuna	91	31.12.2012	22.04.2013	31.01.2013	15.04.2013	2
		Bhandaripokhari	118	31.12.2012	12.03.2013	31.01.2013	18.03.2013	1
2014-15	Bhadrak	Bonth	106	31.12.2012	18.03.2013	31.01.2013	21.03.2013	1
		Chandabali	155	31.12.2012	14.03.2013	31.01.2013	18.03.2013	1
		JSP	246	31.12.2013	13.11.2014	31.01.2014	22.11.2014	9
		Balikuda	162	31.12.2013	03.09.2014	31.01.2014	22.11.2014	9
	Jagatsinghpur	Tirtol	106	31.12.2013	25.10.2014	31.01.2014	22.11.2014	9
		Sadar	81	31.12.2013	11.01.2014	31.01.2014	16.12.2014 10.02.2015 27.04.2015	10 12 14
	Balasore	Bahanaga	81	31.12.2013	13.11.2014	31.01.2014	13.02.2015	12
		Remuna	106	31.12.2013	14.11.2014	31.01.2014	10.02.2015 09.03.2015 20.04.2015	12 13 14
		Bhandaripokhari	118	31.12.2013	18.11.2014	31.01.2014	18.12.2014	10
		Bonth	101	31.12.2013	11.11.2014	31.01.2014	18.12.2014	10
		Chandabali	159	31.12.2013	31.07.2014	31.01.2014	16.12.2014	10

(Source: Compiled by Audit from the test checked units)

Appendix 3.7

(Refer Paragraph 3.2.3)

Year wise position of funds received and utilisation during 2012-15

(₹ in crore)

Name of District	Name of the PS	Opening Balance	Funds received	Total	Funds utilised	Unspent balance	%age of utilisation
Jagatsinghpur	Jagatsinghpur	2.53	9.01	11.54	6.61	4.93	57
	Balikuda	1.59	10.91	12.50	8.00	4.50	64
	Tirtol	3.08	10.48	13.56	7.42	6.14	55
Balasore	Balasore sadar	2.51	7.11	9.62	4.74	4.88	49
	Bahanga	1.40	4.24	5.64	2.65	2.99	47
	Remuna	1.72	4.12	5.84	4.22	1.62	72
Bhadrak	Bhandaripokhari	1.20	5.37	6.57	5.00	1.57	76
	Bonth	1.27	6.21	7.48	4.51	2.97	60
	Chandabali	3.55	10.12	13.67	9.12	4.55	67
	Total	18.85	67.57	86.42	52.27	34.15	60

(Source- Information collected from the PSs)

Appendix 3.8
(Refer paragraph 3.2.3)

Pending utilisation certificate with PSs during 2012-15

(₹ in crore)

Name of District	Name of PSs	Total fund received	Expenditure made	UC submitted	UC pending
Jagatsinghpur	Jagatsinghpur	7.95	6.61	4.93	1.68
	Balikuda	8.71	8.00	5.26	2.74
	Tirtol	8.21	7.42	5.13	2.29
Balasore	Balasore Sadar	6.84	4.74	4.90	- 0.16
	Bahanaga	4.12	2.65	1.59	1.06
	Remuna	5.71	4.22	3.41	0.81
Bhadrak	Bhandaripokhari	6.57	5.00	3.23	1.77
	Bonth	7.48	4.51	3.43	1.08
	Chandabali	9.94	9.12	9.65	- 0.53
Total		65.53	52.27	41.53	11.43

(Source- Information collected from the PSs)

Appendix 3.9
(Refer paragraph 3.2.3)

Statement of Outstanding Advances

Sl. No.	Name of the District	Name of the PS	Name of the person to whom advance was given	Pending since	Purpose	Amount (₹)
1	Balasore	BalasoreSadar	M.Behera ,Sr. Clerk	2009	Towards unloading charge of cement	3000
2			OCL India Ltd.	Prior to 2009	For supply of cement	113358
3			Harendra Behera, EO	2013	Work Advance towards purchase of material & payment of labour	75000
4		Remuna	OSIC Industries	2010	For supply of Bitumen	151510
5			Ultratech Cement	2010	For supply of cement	125200
6			OCL India Ltd.	2010	For supply of cement	1401840
7			ACC India Ltd.	2010	For supply of cement	1838521
8			Sri Ram Chandra Barik, Sr.Clerk	2010	Towards unloading charge of cement	1000
9			Unclassified Advance	2011	Unclassified	96977
10	Bhadrak	Bonth	Iswar Chandra Barik, Ex VLW	2007	Execution of work	100000
11			P K Khandei, Ex VLW	2006	Execution of work	10000
12			P K Samal, VLW	2007	Execution of work	100000
13			Abhimanyu Parida, VLW	2007	Execution of work	100000
14			Abhimanyu Parida, VLW	2008	Execution of work	50000
15			Khagendra Madhei, VLW	2010	Execution of work	50000
16			N K Nayak, Ex VLW	2007	Execution of work	70000
17			ACC Ltd. Bhadrak	2009 and 2010	Purchase of cement	3244000
18			Unclassified		Details not available	928500
19		Chandbali	S. K. Nayak, VLW	2014	Refreshment charges of IAY mela	3000
Total						8461906

(Source: Information collected from the PSs cash books)

Appendix 3.10
(Refer paragraph 3.2.3)

Statement showing purchase of sand, metal and chips

Name of the District	Name of the PS	No. of records checked	No. of records having no vouchers	Cost of the materials (₹ in lakh)
Jagatsinghpur	Jagatsinghpur	66	66	13.61
	Balikuda	30	30	9.74
	Tirtol	30	30	9.47
Balasore	Balasore Sadar	30	30	19.04
	Bahanaga	30	30	25.03
	Remuna	31	20	10.97
Bhadrak	Bhandaripokhari	30	30	10.45
	Bonth	30	29	13.82
	Chandabali	30	0	0
Total		277	265	112.13

(Source- Information collected from the PSs)

Appendix 3.11
(Refer paragraph 3.2.4.1)

Status of projects in test checked PSs

Year	Name of the Districts	No. of PSs	No. of projects sanctioned			Total	No. of projects completed	No. of projects in progress	Not started
			Bijili	Sadak	Pani				
2012-13	Jagatsinghpur	3	07	655	0	662	526	122	14
	Balasore	3	0	83	0	83	77	03	03
	Bhadrak	3	15	224	0	239	232	02	05
2013-14	Jagatsinghpur	3	0	540	0	540	272	255	13
	Balasore	3	0	242	0	242	221	10	11
	Bhadrak	3	24	335	0	379	331	24	24
2014-15	Jagatsinghpur	3	07	514	0	521	41	351	129
	Balasore	3	0	268	0	268	119	72	77
	Bhadrak	3	44	334	0	378	287	80	11
	Total		97	3215	0	3312	2106	919	287

(Source- Records of PSs)

Appendix 3.12
(Refer Paragraph 3.3)

Statement showing the vouchers having no/fake TIN/SRIN numbers

(₹ in lakh)

Sl. No.	Name of the Panchayat Samiti	No. of case records test checked	No. of Vouchers submitted	No. of vouchers having fake TIN	Vouched amount	VAT amount Paid	No. of vouchers having no TIN	Vouched amount	VAT amount Paid	No. of vouchers having fake TIN/ No TIN	Total Vouched amount	Total VAT amount Paid
1	Bhuban	69	70	44	40.55	4.83	04	3.02	0.37	48	43.57	5.2
2	Parjang	93	104	44	37.33	4.47	01	0.71	0.08	45	38.04	4.55
3	Hindol	75	82	15	11.62	1.19	03	2.83	0.24	18	14.45	1.43
4	Mahakalpada	68	71	51	38.19	4.55	04	2.57	0.31	55	40.76	4.86
5	Marshaghai	62	66	15	14.21	1.67	23	20.93	2.46	38	35.14	4.13
6	Pattamundai	75	75	21	18.91	2.11	19	15.48	1.62	40	34.39	3.73
7	Tirtol	17	54	5	1.17	0.15	14	11.42	1.09	19	12.59	1.24
8	Danagadi	23	91	0	0	0	91	27.61	4.91	91	27.61	4.91
9	Gondia	21	112	0	0	0	112	38.38	4.80	112	38.38	4.80
10	Dharmasala	39	233	0	0	0	233	110.98	14.98	233	110.98	14.98
11	Jagatsinghpur	2	9	0	0	0	9	1.00	0.14	9	1.00	0.14
12	Bahanaga	23	24	18	14.61	1.64	6	3.69	0.44	24	18.30	2.08
13	Remuna	15	15	14	17.04	2.01	1	0.55	0.06	15	17.59	2.07
14	Balikuda	4	4	3	1.46	0.17	1	0.64	0.07	4	2.10	0.24
15	Balasore Sadar	5	5	5	10.93	1.31	0	0	0	5	10.93	1.31
	Total	591	1015	235	206.02	24.10	521	239.81	31.57	756	445.83	55.67

(Source: Case records of test checked PSs)

Appendix 5.1
(Refer paragraph 5.1.15.1)

Statement showing delay in construction of CC Roads by contractors

Year	No. of Projects	Estimated cost (₹)	Agreement cost (₹)	Expenditure (₹)	Range of delays (in Days)
2009-10	7	5515200	5498317	4094828	61 to 350
2010-11	14	9278300	9164678	6674648	13 to 122
2011-12	8	4837870	4509553	3238935	11 to 278
2012-13	49	40191900	40795007	41041240	14 to 458
2013-14	28	35510643	37181943	34044437	1 to 323
2014-15	7	7300700	7313961	7311382	29 to 97
TOTAL	113	102634613	104463459	96405470	

(Source: Records of CMC)

Appendix 5.2
(Refer Paragraph 5.1.15.1)

Statement showing delay in finalisation of tenders for construction of roads

Year	No. of Projects	Estimated Cost (₹)	Agreement cost (₹)	Expenditure (₹)	Range of delays (in Days)
2009-10	7	5515200	5498317	4094828	31 to 549
2010-11	18	12069500	11842135	8411418	46 to 574
2011-12	8	4837870	4509553	323895	108 to 829
2012-13	56	47607300	48362774	47743974	27 to 782
2013-14	30	40242279	43008564	37340986	24 to 532
2014-15	7	7300700	7313961	7311382	167 to 217
TOTAL	126	117572849	120535304	105226483	

(Source: Records of CMC)

Appendix 5.3
(Refer Paragraph 5.1.17.1)

Details of Money Receipts and Revenue thereon not found deposited in the Cash Book of Cashier/CMC

Kalyan Mandap/ Saheed Bhawan	Year	Money Receipt No./ Date	Amount (₹)	Remarks
Kalyan mandap	2013-14 (Ground floor)	6023, 13.12.2013	20105	
	2014-15 (Ground floor)	20859, 19.04.2014	20105	As per cash book, ₹ 500 was deposited as Marriage Registration fee
Saheed bhawan	2012-13	76384, 09.06.2012	11420	
		11420, 08.07.2012	11420	
		86031, 16.07.2012	45680	
		86214, 25.11.2012	11420	
		86032, 16.07.2012	11420	
		76000, 19.04.2012	11420	As per cash book, ₹ 20 was deposited as Mutation fee
	2014-15	2668, 20.12.2014	11420	
		21767, 21.12.2014	11420	
TOTAL			125620	

(Source: Records of CMC)

Appendix 5.4
(Refer Paragraph 5.1.17.1)

Statement showing use of DG Set on the dates where there was no official booking thus indicating suspected misappropriation of revenue during 2010-2015

A- Saheed Bhawan

Date of use of D.G. set	Time of running of D.G. set	Period(h=hours, m=minutes)	Diesel use (in Litre)	Purpose of running D.G. set as mentioned in Log Book	Loss of revenue per day (₹)
2010-11					
03-10-2010	11.00 am-2.00 pm	3 h	24	Utkal Marwari Sammilani	9920
10-10-2010	05.00 pm-6.00 pm	1 h	8	Dance Shooting-S. Rout	9920
12-10-2010	02.00 pm-3.00 pm	1 h	8	P3 Magazine	9920
24-10-2010	12.00 pm-1.00 pm	1 h	8	Druggist And Chemmist Association	9920
30-10-2010	6.30 pm-7.00 pm	30 M	4	Kumar Utsov	9920
12-11-2010	12.00 pm-1.00 pm	1 h	8	Gunjan Dance	9920
13-11-2010	04.30 pm-5.00 pm	30 M	4	Gunjan Dance	9920
17-11-2010	4.00 pm-4.30 pm	30 M	4	Swami Ram Dev	9920
19-12-2010	8.30 pm-9.00 pm	30 M	4	Fitfat	9920
26-12-2010	3.00 pm-4.00 pm	1 h	8	Kabi Sammilani	9920
23-02-2011	12.00 pm-12.10 pm	10 m	5	Vestige	9920
07-03-2011	12.00 pm-12.30pm	30 M	15	Electrical Trader	9920
22-04-2011	11.00 am-11.10 am	10m	5	Rcm	9920
01-05-2011	12.30 pm-12.40 pm	10m	5	Dewsoft	9920
01-05-2011	6.00 pm-6.30 pm	30 M	15	Dewsoft	9920
TOTAL			125		148800
2011-12					
01-05-2011	6.00 pm to 6.30 pm	30 m	15	Dewsoft	9920
15-05-2011	9.00 pm to 9.30 pm	30 m	15	Lions Club	9920
11-06-2011	10.30 am to 11.00 am	30 m	15	Triveni	9920
27-06-2011	1.30 pm to 1.50 pm	20 m	10	Kirloskar Company	9920
01-07-2011	5.15 pm to 5.30 pm	15 m	15	Orissa Melody Association	9920
09-07-2011	10.00 pm to 10.10 pm	10 m	5	All Odisha Municipal Mahasangha Meeting	9920
24-07-2011	12.00 pm to 12.30 pm	30 m	15	Vestige	9920
31-08-2011	4.45 pm to 6.00 pm	1 h 15 m	35	LSG Day	11420
24-09-2011	12.00 am to 12.30 pm	30 m	14	Iticili Miticili	11420
08-10-2011	3.00 pm to 3.15 pm	15 m	7	Vestige	11420
22-10-2011	3.30 pm to 4.00 pm	30 m	14	Baul	11420
25-11-2011	6.15 pm to 7.00 pm	45 m	21	Roop Nagar Maya Nagari	11420
09-12-2011	7.45 pm to 8.30 pm	45 m	21	Fit Fat	11420
22-12-2011	8.30 pm to 9.15 pm	45 m	21	Mihir India	11420
11-01-2012	8.30 pm to 9.15 pm	45 m	21	Fusion-2012	11420
14-01-2012	8.30 pm to 9.00 pm	30 m	14	P3	11420
04-02-2012	2.00 pm to 2.15 pm	15 m	7	Bindass	11420
26-02-2012	3.00 pm to 3.15 pm	15 m	7	Vestige	11420
18-03-2012	11.00 am to 11.30 am	30 m	14	Odisha Event	11420
28-03-2012	10.00 am to 10.30 am	30 m	14	Vestige	11420
TOTAL			300		217900
2012-13					
14-04-2012	11.00 am to 12.00 am	1 h	28	Prasanta Kumar Kar	11420
18-04-2012	7.30 pm to 8.00 pm	30 m	14	Genapati Sisu Bidyalaya	11420
26-04-2012	5.00 pm to 5.30 pm	30 m	14	Kundu Family Get Together	11420
09-05-2012	10.00 pm to 10.30 pm	30 m	14	World Thalassemia Day	11420
13-05-2012	2.00 pm to 2.30 pm	30 m	14	Pulsar Computer	11420
19-05-2012	6.00 pm to 6.30 pm	30 m	14	Kgn Waltier Society	11420
26-05-2012	10.00 am to 10.45 am	45 m	21	Ama Paribar	11420
29-05-2012	5.15 pm to 5.30 pm	15 m	7	Dew Soft	11420
15-06-2012	7.25 pm to 7.55 pm	30 m	14	Raja Mahotsav	11420
30-06-2012	3.30 pm to 4.00 pm & 5.00 pm to 5.30 pm	1 h	28	Noutry Aprativa	11420
10-07-2012	12.15 pm to 1.00 pm	45 m	21	Dew Soft	11420
19-07-2012	12.15 pm to 1.15 pm	1 h	28	Tarang	11420
15-08-2012	5.15 pm to 5.30 pm	15 m	7	Inner Wheel Club	11420
01-09-2012	5.00 pm to 5.15 pm	15 m	7	Municipal Office	11420
02-09-2012	12.00 pm to 1.00 pm	1 h	28	Municipal Office	11420
16-09-2012	2.00 pm to 2.30 pm	30 m	14	Tulip	11420
30-09-2012	7.00 pm to 7.30 pm	30 m	14	Roop Nagar	11420

Annual Technical Inspection Report on Local Bodies for the year ended March 2015

Date of use of D.G. set	Time of running of D.G. set	Period(h=hours, m=minutes)	Diesel use (in Litre)	Purpose of running D.G. set as mentioned in Log Book	Loss of revenue per day (₹)
21-10-2012	12.00 am to 1.00 pm	1 h	28	P3	11420
26-10-2012	3.30 pm to 3.45 pm	15 m	7	Boula	11420
28-10-2012	4.00 pm to 4.30pm	30 m	14	Boula	11420
31-10-2012	3.00 pm to 3.30pm	30 m	14	Navakalika	11420
08-11-2012	2.45 pm to 3.15 pm	30 m	14	Arabix Origia	11420
19-11-2012	4.45 pm to 5.00 pm	15 m	7	Gunjan Dance	11420
22-11-2012	4.30 pm to 4.45 pm	15 m	7	Sri Bharati School	11420
08-12-2012	11.00 am to 11.30 am	30 m	14	Ashray	11420
14-12-2012	4.00 pm to 4.30pm	30 m	14	Chunely Show	11420
21-12-2012	4.30 pm to 5.15 pm	45 m	21	Saraswati Sishu Mandir	11420
11-01-2013	11.30 pm to 12.00 pm	30 m	14	Emerti Devi College	11420
09-02-2013	2.30 pm to 3.00 pm	30 m	14	Pancard Club Ltd.	11420
15-02-2013	5.30 pm to 6.00 pm	30 m	14	Gettogether	11420
02-03-2013	4.00 pm to 4.30pm	30 m	14	Bibludendu Mishra	11420
27-03-2013	3.00 pm to 3.15pm	15 m	7	Vestige	11420
28-03-2013	9.00 pm to 9.36 pm	15 m	14	Utkal Pradesh Marwari	11420
TOTAL			504		376860
2013-14					
18-04-2013	5.45 pm to 6.15 pm	30 m	14	Ganapati Shikshya Mandira	11420
29-04-2013	1.00 pm to 1.30 pm	30 m	14	Vestige	11420
03-05-2013	10.00 am to 10.15 am	15 m	7	Biju Chatra Janata	11420
04-06-2013	10.00 am to 10.30 am	30 m	14	Ceragem	11420
17-06-2013	4.00 pm to 4.30 pm	30 m	14	Raja Mahotsav	11420
18-07-2013	3.30 pm to 4.00 pm	30 m	14	Vestige	11420
08-08-2013	10.30 am to 11.00 am	30 m	14	Orisoft	11420
29-09-2013	5.45 pm to 6.30 pm	45 m	21	Binapani Sanskrutika Anusthan	11420
27-10-2013	2.00 pm to 2.30 pm	30 m	14	Vestige	11420
01-11-2013	9.00 pm to 9.30 pm	30 m	14	Sarthak Channel	11420
11-12-2013	10.00 am to 10.30 am	30 am	14	LIC Agents Union	11420
24-12-2013	11.15 am to 11.30 am	15 m	7	Prasanta Kar	11420
27-12-2013	4.00 pm to 4.30 pm	30 m	14	Film Sooting	11420
29-12-2013	12.00 pm to 1.00 pm	1 h	28	Vestige	11420
11-01-2014	12.00 pm to 1.00 pm	1 h	28	Baul	11420
19-01-2014	1.00 pm to 1.30 pm	30 m	14	Fairy Land Play School	11420
29-01-2014	3.00 pm to 3.30 pm	30 m	14	D.N. Public School	11420
02-02-2014	4.00 pm to 4.30 pm	30 m	14	Saraswati Sishu Mandir	11420
08-02-2014	11.15 am to 11.45 am	30 m	14	Amway	11420
09-02-2014	12.00 am to 12.45 am	45 m	21	Sbi	11420
28-02-2014	4.15 pm to 4.45 pm	30 m	14	Bachpan Play School	11420
30-03-2014	2.00 pm to 2.30 pm	30 m	14	Achiever-2013	11420
TOTAL			336		251240
2014-15					
09-04-2014	5.30 pm to 5.45 pm	15 m	7	Baba Balia	11420
18-04-2014	4.00 pm to 4.15 pm	15 m	7	Amway	11420
20-04-2014	2.00 pm to 2.30 pm	30 m	14	Bidya Bikash Samiti	11420
25-04-2014	4.30 pm to 5.00 pm	30 m	14	Rajashree Dance	11420
27-04-2014	3.20 pm to 5.00 pm	1 h 30 m	14	Vestige	11420
13-05-2014	1.45 pm to 2.00 pm	15 m	7	Election Training	11420
25-05-2014	1.00 pm to 2.00 pm	15 m	28	Vestige	11420
19-06-2014	5.15 pm to 5.45 pm	30 m	14	Raja Mahotsav	11420
25-06-2014	5.00 pm to 5.30 pm	30 m	14	Kumar Ustav	11420
20-07-2014	4.00 pm to 4.30 pm	30 m	14	Odisha Melody Association	11420
22-07-2014	10.00 am to 10.45 am	45 m	21	Odisha Melody Association	11420
27-07-2014	10.00 am to 10.45 am	45 m	21	Vestige	11420
26-08-2014	3.45 pm to 4.00 pm	15 m	7	Vestige	11420
05-09-2014	5.00 pm to 5.15 pm	15 m	7	Kalpna Dance	11420
08-09-2014	11.00 am to 11.30 am	30 m	14	Vestige	11420
28-09-2014	5.00 pm to 5.30 pm	30 m	14	Dr. Badal Mohanty	11420
02-11-2014	3.30 pm to 4.00 pm	30 m	14	Jain Mitra Mandal	15000
05-11-2014	4.15 pm to 4.30 pm	15 m	7	Smart Value Corporation	15000
23-11-2014	11.00 am to 11.30 am	30 m	14	Vestige	15000
07-12-2014	5.00 pm to 5.15 pm	15 m	7	Baba Balia	15000
27-12-2014	11.50 am to 12.50 pm	28 m	28	National Ca Conference	15000
27-01-2015	4.00 pm to 4.30 pm	30 m	14	Sarthak Dance	15000
22-02-2015	1.00 pm to 1.30 pm	30 m	14	Vestige	15000
10-03-2015	8.00 pm to 8.30 pm	30 m	14	Voice Of Odisha	15000
TOTAL			329		302720

B- Kalyan Mandap

Date of use of D.G. set	Time of running of D.G. Set	period	Diesel consumption (in Litre)	Loss of revenue per day (₹)
2010-11				
24-07-2010	10.45 am-01.15 pm	2 h 30 m	17.5	19755
11-08-2010	04.00 am-6.45 pm	2 h 45 m	19.25	19755
12-08-2010	10.30 am-11.00 am	30 m	3.5	19755
13-08-2010	3.00 pm-4.00 pm	1 h	7	19755
25-09-2010	11.00 am-1.00 pm	2 h	14	19755
26-09-2010	11.00 am-12.00 pm	1 h	7	19755
07-03-2011	3.00 am-3.30 pm	30 m	3.5	19755
TOTAL			71.75	138285
2011-12				
22-05-2011	6.00 pm-7.00 pm	1 h	7	19755
30-06-2011	8.00 pm-9.00 pm	1h	7	19755
01-01-2012	9.00 pm-9.40 pm	45 m	5.25	19755
08-01-2012	9.00 pm-10.00 pm	1 h	7	19755
TOTAL			26.25	79020
2012-13				
06-05-2012	7.00 pm-8.00 pm	1 h	7	20105
20-07-2012	2.00 pm-3.00 pm	1 h	7	20105
23-07-2012	2.00 pm-3.00 pm	1 h	7	20105
24-07-2012	2.00 pm-3.00 pm	1 h	7	20105
25-07-2012	2.00 pm-3.00 pm	1 h	7	20105
26-07-2012	2.00 pm-3.00 pm	1 h	7	20105
27-07-2012	2.00 pm-3.00 pm	1 h	7	20105
28-07-2012	2.00 pm-3.00 pm	1 h	7	20105
30-07-2012	1.00 pm-2.00 pm	1 h	7	20105
31-07-2012	1.00 pm-4.00 pm and 6.00 pm - 7.00 pm	4 h	28	20105
25-08-2012	9.00 pm-10.00 pm	1 h	7	20105
17-03-2013	6.45 pm-7.45pm	1 h	7	20105
TOTAL			105	241260
2013-14				
13-06-2013	2.00 pm-3.00 pm	1 h	7	20105
15-06-2013	7.00 pm-7.35 pm	35 m	3.5	20105
21-08-2013	6.00 pm - 7.00 pm	1 h	7	20105
01-09-2013	5.45 pm - 6.00 pm	15 m	3.5	20105
18-09-2013	6.00 pm - 6.15 pm	15 m	3.5	20105
10-10-2013	1.00 pm - 2.00 pm	1 h	7	20105
20-11-2013	7.15 pm - 8.00 pm	45 m	5.25	20105
05-12-2013	7.30 pm - 8.00 pm	30 m	3.5	20105
02-03-2014	12.00 pm- 1.00 pm	1 h	7	20105
TOTAL			47.25	180945
2014-15				
13-04-2014	2.00 pm-3.00 pm	1 h	7	20105
16-04-2014	2.00 pm-2.30 pm	30 m	3.5	20105
12-07-2014	5.05 pm-6.05 pm	1 h	7	20105
04-08-2014	4.00 pm -5.00 pm	1 h	7	20105
17-08-2014	11.20 pm-12.20 pm	1 h	7	20105
09-11-2014	8.30 pm-9.30 pm	1 h	7	29090
TOTAL			28	89405
GRAND TOTAL			278.25	728915

(Source: Records of CMC)

Appendix 5.5
(Refer Paragraph 5.1.17.2)

Statement showing loss of revenue due to non-reservation of Shaheed Bhawan at commercial rate

Sl. No. (1)	Date of Reservation (2)	Amount of reservation (₹) (3)	Money Receipt No. (4)	Money Receipt date (5)	Name of firm who made booking (6)	Reservation charges due (₹) (7)	Loss of revenue (₹) [col.7-col.3](8)
2010-11							
1	02-10-2010	9920	41635	01-10-2010	One Ness	13236	3316
2	06-10-2010	9920	41662	06-10-2010	Sahara India	13236	3316
3	01-11-2010	9920	41952	19-10-2010	Raj Yoga Education And Research Foundation	13236	3316
4	02-11-2010	9920	41978	21-10-2010	Manaroma Tractor House	13236	3316
5	14-11-2010	9920	42276	09-11-2010	Editor, The Cinema Sansar	13236	3316
6	29-12-2010	9920	45479	03-12-2010	Emerti Devi Women's College	13236	3316
7	02-01-2011	9920	42255	06-11-2010	Anata Balia Yoga Sikhya Kendra	13236	3316
8	09-01-2011	9920	42248	03-11-2010	Chalachitra Jagat	13236	3316
9	15-01-2011	9920	45670	03-01-2011	Heart Beat D Band In Creation	13236	3316
10	20-01-2011	9920	45889	17-01-2011	Divisional Manager, LIC Of India	13236	3316
11	26-01-2011	9920	45671	03-01-2011	Creation	13236	3316
12	27-01-2011	9920	45963	21-01-2011	Nice Production	13236	3316
13	29-01-2011	9920	45651	27-12-2010	Nupur Dance Academy	13236	3316
14	05-02-2011	9920	45962	21-01-2011	Eastern Media Ltd	13236	3316
15	18-02-2011	9920	46158	01-02-2011	Jyothi Battery Industries	13236	3316
16	06-03-2011	9920	46166	02-02-2011	Ms Maru Industries	13236	3316
17	12-03-2011	9920	50239	14-02-2011	Alok Automobiles	13236	3316
18	15-03-2011	9920	50437	22-02-2011	Urban Co-Operative Bank Ltd	13236	3316
19	26-03-2011	9920	50912	17-03-2011	Chitralipi	13236	3316
20	30-03-2011	9920	50671	01-03-2011	Cuttack General Co-Operative Bank	13236	3316
TOTAL		1,98,400				2,64,720	66320
2011-12							
1	03-04-2011	9920	45992	25-01-2011	Smart Light Marketing Ltd	13236	3316
2	12-04-2011	9920	54237	07-04-2011	Jagannath Institute of Engineering And Technology	13236	3316
3	13-04-2011	9920	54237	07-04-2011	Jagannath Institute of Engineering And Technology	13236	3316
4	22-05-2011	9920	54407	16-04-2011	Pulsar Computer College Square	13236	3316
5	27-05-2011	9920	57252	18-05-2011	Shine Infra Marketing Pvt Ltd	13236	3316
6	03-06-2011	9920	54174	13-05-2011	SMILE, Mahanagar Mahotshab	13236	3316
7	04-06-2011	9920	54174	13-05-2011	SMILE, Mahanagar Mahotshab	13236	3316
8	14-06-2011	9920	57655	13-06-2011	Sur Mandir	13236	3316
9	18-06-2011	9920	57253	18-05-2011	Orissa Melody Association	13236	3316
10	24-06-2011	9920	54825	02-05-2011	Cuttack Branch of EIRC of ICAI	13236	3316
11	25-06-2011	9920	54825	02-05-2011	Cuttack Branch of EIRC of ICAI	13236	3316
12	28-06-2011	9920	57739	18-06-2011	Seashore Health Care Foundation	13236	3316
13	19-07-2011	9920	54450	19-07-2011	Smart Life Style Multi Trade Ltd	13236	3316
14	28-07-2011	9920	58051	16-07-2011	Rose Valley CMS Ltd	13236	3316
15	07-08-2011	9920	58027	12-07-2011	Rage Multi Services Ltd	14736	4816

Sl. No. (1)	Date of Reservation (2)	Amount of reservation (₹) (3)	Money Receipt No. (4)	Money Receipt date (5)	Name of firm who made booking (6)	Reservation charges due (₹) (7)	Loss of revenue (₹) [col.7-col.3](8)
16	09-08-2011	9920	59516	21-07-2011	Prajatantra Prachar Samiti	14736	4816
17	10-08-2011	9920	59564	27-07-2011	OIV Ltd	14736	4816
18	11-08-2011	9920	59564	27-07-2011	OIV Ltd	14736	4816
19	13-08-2011	9920	59546	25-07-2011	Swastik Centre	14736	4816
20	14-08-2011	9920	58052	16-07-2011	One News	14736	4816
21	19-08-2011	9920	59733	03-08-2011	Swayamshree Mahila Samabaya Ltd	14736	4816
22	20-08-2011	9920	59733	03-08-2011	Swayamshree Mahila Samabaya Ltd	14736	4816
23	21-08-2011	9920	59707	30-07-2011	Dewsoft Overseas Pvt Ltd	14736	4816
24	04-09-2011	9920	59708	30-07-2011	Tulip Global Privt Ltd	14736	4816
25	28-09-2011	11420	59889	16-08-2011	Roop Nagar Maya Nagari	14736	3316
26	01-10-2011	11420	62201	05-09-2011	The Samaj	14736	3316
27	09-10-2011	11420	62873	30-09-2011	Svatisk Centre	14736	3316
28	19-10-2011	11420	63061	17-10-2011	Assian Shopping Club	14736	3316
29	02-11-2011	11420	65117	28-10-2011	Seashore Foundation	14736	3316
30	10-11-2011	9920	54450	19-07-2011	Smart Life Style Multi Trade Ltd	14736	4816
31	12-11-2011	9920	50439	22-02-2011	Apicon Odisha	14736	4816
32	13-11-2011	9920	50439	22-02-2011	Apicon Odisha	14736	4816
33	19-11-2011	9920	58028	12-07-2011	Gunjan Dace Academy	14736	4816
34	20-11-2011	9920	58028	12-07-2011	Gunjan Dace Academy	14736	4816
35	03-12-2011	11420	65159	31-10-2011	Eastern Media Ltd	14736	3316
36	11-12-2011	9920	54483	19-04-2011	Home Video Entertainment	14736	4816
37	26-12-2011	11420	65535	23-11-2011	Odisha Film Development Corporation Ltd	14736	3316
38	28-12-2011	11420	69428	28-12-2011	Sukanta Kumar Mohanty, Sapath Newspaper	14736	3316
39	29-12-2011	12420	65336	04-11-2011	Ananta Balia Yoga Shiksha Kendra	14736	2316
40	31-12-2011	11420	63042	13-10-2011	Archik's Fashion Show	14736	3316
41	18-01-2012	11420	69690	07-01-2012	Sr Divisional Manager, LIC of India	14736	3316
42	23-01-2012	11420	69729	17-01-2012	The Sambad	14736	3316
43	10-02-2012	11420	69333	21-12-2011	Orissa Assemble Of Small And Medium Enterprises	14736	3316
44	12-02-2012	11420	69332	21-12-2011	SBI OFFICER'S Co-Operative Society	14736	3316
45	18-02-2012	11420	69858	18-02-2012	The Sambad	14736	3316
46	29-02-2012	12420	69579	11-01-2012	Urban Co-Op Bank	15736	3316
TOTAL		4,82,320				6,57,856	1,75,536
2012-13							
1	08-04-2012	11420	69857	18-02-2012	Odisha Motion Pictures Teech Association	14983	3563
2	20-04-2012	11420	76016	20-04-2012	Primary Agriculture Co-Operative Employees Union	14983	3563
3	21-04-2012	11420	70120	20-03-2012	Triranga Sankruti Parisad	14983	3563
4	25-05-2012	12420	76292	21-05-2012	Kanak TV Cuttack Beaurau	14983	2563
5	09-06-2012	11420	76384	09-06-2012	Tribeni Kala Niketan	14983	3563
6	11-06-2012	11420	76085	24-04-2012	Dayanidhi Smruti Kala Parishad	14983	3563
7	11-07-2012	11420	80223	11-07-2012	Dew soft Overseas Pvt Ltd, New Delhi	14983	3563
8	08-08-2012	12420	80482	31-07-2012	Sambad	14983	2563

Sl. No. (1)	Date of Reservation (2)	Amount of reservation (₹) (3)	Money Receipt No. (4)	Money Receipt date (5)	Name of firm who made booking (6)	Reservation charges due (₹) (7)	Loss of revenue (₹) [col.7-col.3](8)
9	09-08-2012	11420	80300	19-07-2012	Prajatantra Prachar Samiti	14983	3563
10	17-08-2012	11420	80459	28-07-2012	Swayamshree Mahila Samabay Ltd	14983	3563
11	14-09-2012	11420	83181	05-09-2012	Alok Automobiles	14983	3563
12	15-09-2012	11420	83185	05-09-2012	Michael Bhaquiere	14983	3563
13	24-09-2012	11420	83547	24-09-2012	Otv	14983	3563
14	27-09-2012	11420	79747	25-06-2012	Bikram Keshari Ray	14983	3563
15	28-09-2012	11420	79747	25-06-2012	Bikram Keshari Ray	14983	3563
16	29-09-2012	11420	79747	25-06-2012	Bikram Keshari Ray	14983	3563
17	01-10-2012	11420	80495	31-07-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
18	02-10-2012	11420	80495	31-07-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
19	03-10-2012	11420	83278	16-08-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
20	04-10-2012	11420	83278	16-08-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
21	05-10-2012	11420	83278	16-08-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
22	06-10-2012	11420	83515	13-09-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
23	07-10-2012	11420	83548	24-09-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
24	08-10-2012	11420	83548	24-09-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
25	09-10-2012	11420	86003	09-10-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
26	10-10-2012	11420	86003	09-10-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
27	11-10-2012	11420	83587	01-10-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
28	12-10-2012	11420	83587	01-10-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
29	13-10-2012	11420	86031	16-07-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
30	14-10-2012	11420	86031	16-07-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
31	15-10-2012	11420	86031	16-07-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
32	16-10-2012	11420	86031	16-07-2012	Utkal Yuva Sanskrutik Sangh	14983	3563
33	12-11-2012	11420	86037	17-10-2012	SIMS Residential College	14983	3563
34	17-11-2012	11420	86290	17-10-2012	Gunjan Dance Academy	14983	3563
35	18-11-2012	11420	86013	11-10-2012	Gunjan Dance Academy	14983	3563
36	20-11-2012	11420	86013	11-10-2012	Gunjan Dance Academy	14983	3563
37	26-11-2012	11420	86214	25-11-2012	Sampark Advertising Ltd	14983	3563
38	29-11-2012	11420	86032	16-07-2012	Lions Club Of Cuttack	14983	3563
39	05-12-2012	11420	80076	06-07-2012	Institute of Chartarted Accounts Of India	14983	3563
40	09-12-2012	11420	80090	09-07-2012	Home Video Entertainment	14983	3563
41	22-12-2012	11420	86289	17-11-2012	Chitralipi Haripur Road	14983	3563
42	26-12-2012	11420	80076	06-07-2012	Institute of Chartarted Accounts Of India	14983	3563
43	29-12-2012	11420	83182	05-09-2012	Anata Balia Yoga Sikshya Kendra	14983	3563
44	05-01-2013	11420	86213	05-11-2012	Dahesaw Trading (India) Pvt Ltd	14983	3563
45	06-01-2013	11420	86082	30-10-2012	Adikanta Rout	14983	3563
46	19-01-2013	11420	86327	29-11-2012	Sushil Motors, Link Road	14983	3563
47	20-01-2013	11420	80428	25-07-2012	Pan Card Clubs	14983	3563
48	25-01-2013	11420	86909	05-01-2013	Creation Academy	14983	3563
49	27-01-2013	11420	83183	05-09-2012	Gopinath Behera Foundation	14983	3563
50	29-01-2013	11420	86770	29-12-2012	Seashore Health Care Pvt Ltd	14983	3563
51	17-02-2013	11420	86798	02-01-2013	SBI Officers Multi-Purpose Co-Operative Society	14983	3563

Sl. No. (1)	Date of Reservation (2)	Amount of reservation (₹) (3)	Money Receipt No. (4)	Money Receipt date (5)	Name of firm who made booking (6)	Reservation charges due (₹) (7)	Loss of revenue (₹) [col.7-col.3](8)
52	27-02-2013	11420	93891	16-02-2013	Ltd	14983	3563
53	04-03-2013	11420	94214	02-03-2013	Vestige Marketing Pvt Ltd	14983	3563
54	15-03-2013	12420	93965	16-02-2013	Larsen & Turbo Ltd Chief Executive Officer, Urban Co-Operative Bank Ltd	14983	2563
55	30-03-2013	11420	95423	30-03-2013	Roop Nagar Maya Nagari	14983	3563
Total		6,31,100				8,24,065	1,92,965
2013-14							
1	06-04-2013	11420	94015	19-02-2013	Vidya Vikash Samiti	14983	3563
2	07-04-2013	11420	94042	22-02-2013	Dr Sudhanshu Sekhar Tripathy, The Uranium,	14983	3563
3	13-04-2013	11420	92212	24-01-2013	Scart, Odisha	14983	3563
4	14-04-2013	11420	92212	24-01-2013	Scart, Odisha	14983	3563
5	30-04-2013	11420	98037	20-04-2013	Sushil Auto Division	14983	3563
6	18-05-2013	11420	97813	16-04-2013	Binapani Sanskritika Anusthan	14983	3563
7	31-05-2013	11420	98422	04-05-2013	Shika International Sritram Nagar	14983	3563
8	09-06-2013	11420	97812	16-04-2013	Dayanidhi Smruti Kala Parisad	14983	3563
9	13-06-2013	11420	98492	14-05-2013	Soor Mandir	14983	3563
10	14-06-2013	11420	1789	11-06-2013	Soor Mandir	14983	3563
11	15-06-2013	11420	1789	11-06-2013	Soor Mandir	14983	3563
12	16-06-2013	11420	98492	14-05-2013	Soor Mandir	14983	3563
13	21-06-2013	11420	98234	26-04-2013	Cuttack Branch of EIRC of ICAI	14983	3563
14	22-06-2013	11420	98234	26-04-2013	Cuttack Branch of EIRC of ICAI	14983	3563
15	26-06-2013	11420	3301	20-06-2013	Shanti Institute Of Management And Studies	14983	3563
16	28-06-2013	11420	3302	20-06-2013	Big Bazar	14983	3563
17	08-07-2013	11420	3503	27-06-2013	The Samaj	14983	3563
18	04-08-2013	11420	3593	04-07-2013	Odisha Melodi Association	14983	3563
19	12-08-2013	11420	3815	11-07-2013	Oasme	14983	3563
20	18-08-2013	11420	5887	01-08-2013	Swayamshree Mahila Samabaya Ltd	14983	3563
21	19-08-2013	11420	5887	01-08-2013	Swayamshree Mahila Samabaya Ltd	14983	3563
22	20-08-2013	11420	5887	01-08-2013	Swayamshree Mahila Samabaya Ltd	14983	3563
23	09-09-2013	11420	4173	29-07-2013	Jay Bharat Trust	14983	3563
24	15-09-2013	12420	8113	07-09-2013	The Samaj	14983	2563
25	27-09-2013	11420	10367	27-09-2013	SK Arts	14983	3563
26	18-10-2013	11420	10722	07-10-2013	Baula	14983	3563
27	21-10-2013	11420	10784	08-10-2013	Nabakalika	14983	3563
28	09-11-2013	11420	10723	07-10-2013	Shanti Institute Of Management And Studies	14983	3563
29	15-11-2013	11420	12076	05-11-2013	Asian Shopping Club	14983	3563
30	18-11-2013	11420	1706	05-06-2013	Gunjan Dance Academy	14983	3563
31	19-11-2013	11420	1706	05-06-2013	Gunjan Dance Academy	14983	3563
32	20-11-2013	11420	8172	17-09-2013	P3 Trust	14983	3563
33	29-11-2013	11420	1749	07-06-2013	Ananta Balia Yoga Shikshya Kendra	14983	3563
34	30-11-2013	11420	1749	07-06-2013	Ananta Balia Yoga Shikshya Kendra	14983	3563
35	01-12-2013	11420	1749	07-06-2013	Ananta Balia Yoga Shikshya Kendra	14983	3563

Sl. No. (1)	Date of Reservation (2)	Amount of reservation (₹) (3)	Money Receipt No. (4)	Money Receipt date (5)	Name of firm who made booking (6)	Reservation charges due (₹) (7)	Loss of revenue (₹) [col.7-col.3](8)
36	03-12-2013	11420	12395	25-11-2013	LIC of India	14983	3563
37	04-12-2013	11420	12395	25-11-2013	LIC of India	14983	3563
38	06-12-2013	11420	4174	29-07-2013	Cuttack Branch of EIRC of ICAI	14983	3563
39	07-12-2013	11420	4174	29-07-2013	Cuttack Branch of EIRC of ICAI	14983	3563
40	08-12-2013	11420	1414	24-05-2013	Home Video Entertainment	14983	3563
41	12-12-2013	11420	10835	09-10-2013	Sanskriti Bihar	14983	3563
42	13-12-2013	11420	10835	09-10-2013	Sanskriti Bihar	14983	3563
43	25-12-2013	11420	98480	10-05-2013	SCART, Odisha	14983	3563
44	30-12-2013	11420	12575	05-12-2013	Roop Nagar Maya Nagari	14983	3563
45	05-01-2014	11420	12307	07-11-2013	Secy, Chalachitra Jagat	14983	3563
46	20-01-2014	11420	12797	26-12-2013	Nari Surakshya	14983	3563
47	21-02-2014	11420	16729	10-02-2014	LIC of India	14983	3563
48	22-02-2014	11420	16729	10-02-2014	LIC of India	14983	3563
49	08-03-2014	11420	16990	04-03-2014	Svyamshree, Badambadi	14983	3563
50	16-03-2014	11420	16920	22-02-2014	Cuttack Central Co-Operative Bank	14983	3563
51	21-03-2014	11420	16731	10-02-2014	Kamal Kalapitha Kamalpur	14983	3563
52	22-03-2014	11420	16731	10-02-2014	Kamal Kalapitha Kamalpur	14983	3563
TOTAL		594840				779116	184276
2014-15							
1	11-04-2014	11420	12308	07-11-2013	Kalinga Magic Circle	14983	3563
2	12-04-2014	11420	12308	07-11-2013	Kalinga Magic Circle	14983	3563
3	13-04-2014	11420	12308	07-11-2013	Kalinga Magic Circle	14983	3563
4	30-04-2014	11420	20867	19-04-2014	Alok Automobile	14983	3563
5	07-05-2014	11420	21086	03-05-2014	L&T, JICA	14983	3563
6	10-05-2014	11420	16991	04-03-2014	Subhadra Sangita Bidyalaya, Alisha Bazar	14983	3563
7	15-05-2014	11420	21127	17-05-2014	Pxxel Media And Entertainment	14983	3563
8	17-05-2014	11420	21088	03-05-2014	Asian Shopping Club	14983	3563
9	24-05-2014	11420	20826	07-04-2014	Ghungroo Kalakendra	14983	3563
10	02-06-2014	11420	21109	07-05-2014	Manini Sanskritika Kalaparishad	14983	3563
11	03-06-2014	11420	21109	07-05-2014	Manini Sanskritika Kalaparishad	14983	3563
12	04-06-2014	11420	21109	07-05-2014	Manini Sanskritika Kalaparishad	14983	3563
13	05-06-2014	11420	21109	07-05-2014	Manini Sanskritika Kalaparishad	14983	3563
14	06-06-2014	11420	21109	07-05-2014	Manini Sanskritika Kalaparishad	14983	3563
15	07-06-2014	11420	21089	03-05-2014	Dayanidhi Smriti Kala Parishad	14983	3563
16	13-06-2014	11420	21391	11-06-2014	Soor Mandir	14983	3563
17	14-06-2014	11420	21391	11-06-2014	Soor Mandir	14983	3563
18	15-06-2014	11420	21391	11-06-2014	Soor Mandir	14983	3563
19	16-06-2014	11420	21391	11-06-2014	Soor Mandir	14983	3563
20	24-06-2014	11420	21344	04-06-2014	Shanti Institute of Management Studies	14983	3563
21	28-06-2014	12420	21417	13-06-2014	General Manager, The Samaj	14983	2563
22	04-07-2014	11420	21062	01-05-2014	Cuttack Branch of EIRC of ICAI	14983	3563
23	05-07-2014	11420	21062	01-05-2014	Cuttack Branch of EIRC of ICAI	14983	3563
24	06-07-2014	11420	21433	19-06-2014	Odisha Melody Association	14983	3563

Sl. No. (1)	Date of Reservation (2)	Amount of reservation (₹) (3)	Money Receipt No. (4)	Money Receipt date (5)	Name of firm who made booking (6)	Reservation charges due (₹) (7)	Loss of revenue (₹) [col.7-col.3](8)
25	23-07-2014	11420	21797	23-07-2014	Urm Communication	14983	3563
26	26-07-2014	11420	21530	24-07-2014	Ichharam Foundation, CDA	14983	3563
27	28-07-2014	11420	21713	10-07-2014	Sikha International	14983	3563
28	08-08-2014	11420	26687	07-08-2014	Subhabrata Swain, Orissa Computer Education	14983	3563
29	14-08-2014	12420	21535	12-08-2014	Sampark Advertising Ltd	14983	2563
30	22-08-2014	12420	21728	14-07-2014	Reserve Bank of India	14983	2563
31	29-08-2014	11420	21738	16-07-2014	Jaya Bharat Trust,	14983	3563
32	07-09-2014	11420	26711	13-08-2014	LIC of India	14983	3563
33	09-09-2014	12420	21539	03-09-2014	Odisha Television Ltd	14983	2563
34	12-09-2014	11420	26914	09-09-2014	Herald Advertising Service	14983	3563
35	18-09-2014	11420	29266	17-09-2014	Sarthak TV	14983	3563
36	20-09-2014	11420	26618	24-07-2014	DTDC Courier Cargo Ltd.	14983	3563
37	24-09-2014	11420	26759	22-08-2014	Swayamshree Mahila Samabaya Ltd	14983	3563
38	25-09-2014	11420	26759	22-08-2014	Swayamshree Mahila Samabaya Ltd	14983	3563
39	26-10-2014	12420	29899	21-10-2014	Panda Curie Cancer Hospital	20000	7580
40	31-10-2014	11420	29678	29-09-2014	Roop Nagar Maya Nagaree Film Journalist And Social Cultural Organisation	20000	8580
41	18-11-2014	11420	26793	26-08-2014	Gunjan Dance Academy	20000	8580
42	19-11-2014	11420	26793	26-08-2014	Gunjan Dance Academy	20000	8580
43	20-11-2014	11420	29788	13-10-2014	Gunjan Dance Academy	20000	8580
44	21-11-2014	11420	21768	17-07-2014	Cuttack Branch of EIRC of ICAI	20000	8580
45	22-11-2014	11420	21768	17-07-2014	Cuttack Branch of EIRC of ICAI	20000	8580
46	24-11-2014	11420	29451	19-09-2014	GTFS Multiservices Ltd	20000	8580
47	17-12-2014	15000	32508	12-11-2014	Home Video Entertainment	20000	5000
48	24-12-2014	11420	21484	26-06-2014	Prasanta Kar	20000	8580
49	25-12-2014	11420	21484	26-06-2014	Prasanta Kar	20000	8580
50	30-12-2014	15000	33093	01-12-2014	Saroj Ku Bhuyan	20000	5000
51	11-01-2015	15000	36336	17-12-2014	Muralidhar Nayak, Editor, Cinema Sansar	20000	5000
52	15-01-2015	15000	32509	12-11-2014	Rabinarayan Dhar, Organising Secy	20000	5000
53	01-02-2015	15000	33266	05-12-2014	Binapani Saskrutik Anusthan	20000	5000
54	07-02-2015	15000	32509	12-11-2014	Rabinarayan Dhar, Organising Secy	20000	5000
55	11-02-2015	15000	36730	04-02-2015	Alok Automobile	20000	5000
56	15-02-2015	15000	36592	28-01-2015	SBI Officer's Multipurpose Co-Operative Society	20000	5000
57	24-02-2015	15000	37019	24-02-2015	Bikram Keshari Raj	20000	5000
58	02-03-2015	15000	36731	04-02-2015	Lions Club International	20000	5000
59	20-03-2015	15000	37136	12-03-2015	White Canvas Mahanadi Vihar	20000	5000
Total		718160				989354	271194

(Source: Records of CMC)

Appendix-6.1
(Refer paragraph 6.1.3)

Statement showing provision for SJSRY in AAP, BE and funds available

(₹ in crore)

Name of the ULB	2011-12		2012-13		2013-14		2014-15		2011-15	2011-15	Funds available for 2011-15			
	Provision in AAP for SJSRY	Provision in general BE for SJSRY (% over AAP)	Provision in AAP for SJSRY	Provision in general BE for SJSRY (% over AAP)	Provision in AAP for SJSRY	Provision in general BE for SJSRY (% over AAP)	Provision in AAP for SJSRY	Provision in general BE for SJSRY (% over AAP)	AAP	Budget provision	Opening balance at the beginning of 2011-12	Receipt 2011-15	Interest accrued 2011-15	Total
Angul	0.45	0.20	0.45	0.30	0.48	0.30	0.00	0.00	1.38	0.80	0.15	0.43	0.04	0.62
Dhenkanal	0.80	0.40	0.89	0.40	1.11	0.70	0.00	0.00	2.80	1.50	0.25	0.83	0.01	1.09
Baragarh	2.80	0.25	2.83	0.55	2.63	0.61	0.00	0.00	8.26	1.41	0.3	0.66	0.02	0.98
Burla	0.56	0.00	0.55	0.00	0.00	0.00	0.00	0.00	1.11	0.00	0.34	0.16	0.05	0.55
Barbil	1.31	0.30	0.78	0.25	0.86	0.25	0.73	0.28	3.68	1.08	0.11	0.77	0.02	0.9
Baripada	1.10	1.55	1.08	0.50	2.12	0.80	0.00	0.00	4.30	2.85	0.86	0.43	0.07	1.36
Balasore	4.89	0.80	4.92	0.80	0.00	0.90	0.00	0.00	9.81	2.50	0.61	0.66	0.05	1.32
Berhampur	5.45	4.50	7.42	5.00	4.80	7.00	0.00	40.00	17.67	56.50	2.36	7.69	0.22	10.27
Phulbani	0.43	0.02	0.69	0.03	0.89	0.03	0.00	0.03	2.01	0.11	0.17	0.38	0.02	0.57
Belaguntha	0.56	0.30	0.73	0.30	0.76	0.30	0.00	0.38	2.05	1.28	0.09	0.05	0.01	0.15
Bhanjanagar	0.46	0.05	0.46	0.05	0.46	0.07	0.00	0.05	1.38	0.22	0.11	0.06	0.02	0.19
Bhawanipatna	1.39	0.40	1.21	0.40	1.20	1.02	0.00	0.00	3.80	1.82	0.25	0.58	0.10	0.93
Total	20.20	8.77	22.01	8.58	15.31	11.98	0.73	40.74	58.25	70.07	5.60	12.7	0.63	18.93

(Source: Compiled by Audit from the test checked units)

Appendix 6.2
(Refer paragraph 6.1.4)

Statement showing component wise target & achievement of the State for 2011-14

Year	Component									
	USEP (Persons)		UWSP (Groups)		T&Cs (Groups)		UWEP (Mandays)		STEP-UP (Persons)	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
2011-12	2500	2851	500	291	900	682	400000	179803	15000	5391
2012-13	4000	3932	600	409	1200	886	400000	250153	40000	32738
2013-14	4000	1447	600	179	1200	209	400000	25027	40000	29892
Total	10500	8230	1700	879	3300	1777	1200000	454983	95000	68021

(Source: Compiled by Audit from the test checked units)

Appendix 6.3 (Refer paragraph 6.1.4)

Statement showing target and achievement in test checked ULBs

Name of the ULB	USEP (Persons)		UWSP (Groups)		T&CS (Groups)		UWEP (Mandays)		STEP-UP (Persons)	
	Target	Achievement (%)	Target	Achievement (%)	Target	Achievement (%)	Target	Achievement (%)	Target	Achievement (%)
Angul	79	52 (66%)	11	6 (20%)	27	11 (41%)	18894	1825 (10%)	457	247 (54%)
Dhenkanal	122	85 (70%)	24	11 (46%)	41	17 (41%)	14140	1605 (11%)	1007	960 (95%)
Baragarh	143	111 (78%)	27	18 (67%)	42	47 (112%)	15633	802 (5%)	865	1486 (172%)
Burla	52	40 (77%)	6	9 (150%)	15	12 (80%)	9624	965 (10%)	298	367 (123%)
Barbil	119	103 (87%)	25	19 (76%)	36	29 (81%)	12921	0 (0%)	976	433 (44%)
Baripada	209	128 (61%)	30	14 (47%)	67	63 (94%)	23325	9024 (39%)	1685	813 (48%)
Balasore	234	64 (27%)	41	7 (17%)	80	14 (17%)	26043	6463 (25%)	1866	402 (22%)
Berhampur	657	2446 (372%)	131	248 (181%)	217	0 (0%)	75564	13970(18%)	5305	7754 (146%)
Phulbani	69	45 (65%)	9	0 (0%)	20	11 (55%)	8319	0 (0%)	394	184 (47%)
Belaguntha	15	8 (53%)	3	2(67%)	6	4 (67%)	2445	685 (28%)	121	137 (113%)
Bhanjanagar	38	21 (55%)	6	4 (67%)	14	8 (57%)	4848	0 (0%)	221	278 (126%)
Bhawanipatna	127	105 (83%)	26	8 (31%)	39	5 (13%)	14925	1865 (12%)	1036	1219 (118%)
Total	1864	3208(172%)	339	346 (102%)	604	221 (37%)	226681	37128 (16%)	14231	14280 (100%)

(Source: Compiled by Audit from the test checked units)

Appendix 6.4

(Refer paragraph 6.1.7 and 6.1.8)

Statement showing details of subsidy under USEP

Name of the ULB	Exclusion of beneficiary under USEP due to non follow up by Cos		Loan not disbursed in full and excess subsidy retained with bank				Adjustment of subsidy without closing of account			Amount of loan disbursed (loan sanctioned / no. of cases)	No. of cases loan disbursed less than/ equal to subsidy (% of disbursement)	Loan paid without subsidy (No. of cases)	No. of cases (moratorium period in months)	Result of JPI	
	No. of cases sponsored	No. of cases loan sanctioned	Project cost	Sanctioned amount (No. of cases)	Amount disbursed (% ranging)	Subsidy due	Subsidy paid	Excess subsidy retain with bank	No. of cases subsidy adjusted (Out of which No. of NPA)	Subsidy adjusted	Period from disbursement to adjustment			No. of cases JPI done	No. of cases not created self employment
Angul	123	52	17.00	16.26 (13)	7.06 (25 to 75)	1.76	4.24	2.48	2 (2)	1.00	15 months	-	8 (1 to 3)	2	1
Dhenkanal	85	85	-	-	-	-	-	-	1 (1)	0.50	27 months	-	6 (4 to 5)	-	-
Baragarh	246	111	14.50	10.70 (10)	9.96 (21 to 84)	2.49	3.63	1.14	19 (16)	3.53	1 month to 30 months	8.86 (10)	37 (0 to 3)	3	1
Burla	187	40	10.95	10.82 (19)	4.76 (8 to 64)	1.19	2.74	1.55	5 (3)	0.66	24 months to 40 months	-	-	-	3
Barbil	242	103	22.50	20.00 (14)	13.13 (13 to 75)	3.28	5.88	2.60	28 (13)	11.5	9 months to 42 months	-	29 (0 to 6)	10	4
Baripada	444	128	-	-	-	-	-	-	17 (9)	2.14	0 to 4.5 years	-	-	5	3
Balasore	506	64	40.00	36.10 (23)	10.65 (25 to 36)	2.66	10.00	7.34	20 (0)	9.25	4 days to 1 year	-	-	-	-
Berhampur	3898	2446	27.00	25.83 (17)	17.34 (25 to 94)	4.34	6.75	2.41	24 (11)	7.58	1 month to 43 months	-	26 (1 to 3)	10	0
Phulbani	61	45	13.56	12.70 (7)	12.31 (90 to 94)	3.08	3.39	0.31	14 (0)	6.58	19 days to 45 months	-	21 (20 days to 4 months)	10	0
Belaguntha	18	8	7.10	7.10 (7)	2.10 (20 to 60)	0.525	1.775	1.25	3 (0)	0.375	18 to 37 months	-	-	4	1
Bhanjanagar	21	21	0.50	0.50 (1)	0.125	0.031	0.125	0.094	13 (0)	2.25	4 to 39 months	-	-	4	1
Bhawaniapatna	152	105	3.30	3.30 (4)	2.265 (50 to 85)	0.566	0.825	0.259	10 (0)	2.525	12 to 44 months	-	-	0	0
Total	5983	3208	156.41	136.92 (115)	79.70	19.92	39.35	19.43	156 (55)	47.89			133 (0 to 6)	58	14

(Source: Compiled by Audit from the test checked units)

Appendix 6.5

(Refer paragraph 6.1.9)

Statement showing different deficiencies under T&CS sub-component for the period 2011-14

Name of the ULB	Target		Achievement			Percentage of achievement	T&CSs not involved for production and marketing	No. of T&CSs not submitted basic records indicating completion of formation of group at least one year		
	Group	Funds available (₹)	Group	Women	Expenditure involved (₹)			Groups	Women	Amount (₹)
Angul	27	0	11	91	174000	40.74	11	11	91	174000
Dhenkanal	41	343600	17	170	340000	41.46	17	0	0	0
Bargarh	42	578500	47	322	578500	111.9	47	0	0	0
Burla	15	124000	12	122	240000	80	12	12	122	240000
Barbil	36	55000	29	291	584000	80.55	29	10	95	190000
Baripada	67	240000	63	349	1266000	94.02	63	1	8	16000
Balasore	80	0	14	111	246000	17.5	14	9	81	162000
Bramhapur	217	775000	0	0	0	0	0	0	0	0
Phulbani	20	200000	11	117	231000	55	11	11	117	231000
Belaguntha	6	0	4	42	42000	67	4	4	42	42000
Bhanjanagar	14	0	8	81	162000	57	8	8	81	162000
Bhawanipatna	39	0	5	66	109000	13	5	5	66	109000
Total	604	2361100	221	1762	3972500	37	221	71	703	1326000

(Source: Compiled by Audit from the test checked units)

Appendix 6.6
Refer paragraph 6.1.10)
Statement on revolving fund

Name of the test checked ULB	Mandays Targeted	No. of works executed under UWEF	Value of work done (₹)	No. of work executed departmentally	No. of work executed through CDS	No. of departmental works against Muster Roll maintained	No. of departmental works which Muster Roll not maintained (cost in ₹)	Total mandays paid through Muster Roll (%) to target)	Wages paid through Muster Roll to un-identified migrants/ residency [(₹)/(Mandays)]
Angul	18894	8	1309153	8	0	8	0	1825 (10%)	181680 (1825)
Dhenkanal	14140	3	1226000	3	0	3	0	1605 (11%)	205384 (1605)
Bargarh	15633	11	1217929	8	0	6	2 (278000)	802 (5%)	74352 (802)
Burla	9624	4	668840	4	0	4	0	889 (9%)	139665 (889)
Barbil	12921	7	2836261	0	0	0	0	0 (0%)	0 (0)
Baripada	23325	16	2665973	16	0	16	0	9024 (39%)	942117 (9024)
Balasore	26043	42	4929833	42	0	42	0	6463 (25%)	873530 (6463)
Berhampur	75564	50	19456390	20	0	17	3 (500000)	13970 (18%)	1308644 (13970)
Phulbani	8319	5	1309629	5	0	0	5 (1309629)	0 (0%)	0(0)
Belguntha	2445	3	280845	3	0	3	0	685 (28%)	109385 (685)
Bhajanagar	4848	4	203400	0	0	0	0	0 (0%)	0 (0)
Bhawanipatna	14925	18	1209083	18	0	14	4 (120000)	1865 (12%)	194112 (1865)
Total	226681	171	37313336	127	0	113	14 (2207629)	37128 (32%)	4028869 (37128)

(Source: Compiled by Audit from the test checked units)

Appendix 6.7

(Refer paragraph 6.1.11)

Statement showing target and achievement of training and placement under STEP-UP

Name of the ULB	Total No. of BPL House Hold	Target	Sources of selection in 2011-12	Source of selection in 2012-13	Achievement (% of total beneficiary trained)	No. of SC trained (%)	No. of ST trained (%)	No. of differently-able trained (%)	No. of Minority trained (%)	No. of women trained (%)	No. of trainee provided soft skill	No. of trainees provided placement
Angul	1621	457	Not selected	Mela (10/2012)	247 (54%)	58 (23%)	7 (3.09%)	1 (0.01%)	11 (4%)	117 (47%)	0	0
Dhenkanal	2362	1007	Notice 23.6.11	Mela (10/2012)	960 (95%)	271 (28%)	39 (4%)	0 (0%)	19 (2%)	403 (42%)	800	0
Bargarh	6091	865	Not available	Mela (11.10.2012)	1486 (172%)	503 (34%)	252 (17%)	7 (0.5%)	81 (5.5%)	768 (52%)	1194	0
Burla	2307	298	Notice (14.2.12)	Publication in Odia daily (15.12.2012)	367 (123%)	175 (48%)	47 (13%)	0 (0%)	0 (0%)	268 (73%)	0	4
Barbil	2985	976	Notice	Mela (16.10.2012)	433 (44%)	157 (36%)	80 (18%)	1 (0.23%)	46 (10.62%)	262 (61%)	408	5
Baripada	4971	1685	By publication in daily odiya	Mela (12.10.2012)	813 (48%)	176 (22%)	97 (12%)	2 (0.25%)	51 (6.27%)	481 (59%)	761	5
Balesore	3611	1866	Not selected	Mela (27.11.2012)	402 (22%)	132 (33%)	11 (3%)	0 (0%)	54 (13.43%)	246 (61%)	311	34
Berhampur	22191	5305	By NHC	Mela (10.10.2012 & 11.10.2012)	7754 (146%)	1883 (24%)	24 (0.31%)	51 (0.66%)	80 (1.03%)	7307 (94%)	40	33
Phulbani	2505	394	Not selected	Mela (5.12.2012)	184 (47%)	113 (61%)	7 (4%)	2 (1.09%)	7 (3.80%)	115 (63%)	116	8
Belguntha	1072	121	Not selected	Mela (15.11.2012)	137 (113%)	27 (20%)	0 (0%)	1 (0.73%)	0 (0%)	65 (47%)	11	0
Bhanjanagar	1550	221	By publication of notice	By Publication of notice	278 (126%)	76 (27%)	2 (0.72%)	3 (1%)	1 (0.36%)	153 (55%)	168	0
Bhawaniptna	5600	1036	By CO /Councillor	Mela (16.11.2012)	1219 (118%)	383 (31%)	96 (7.88%)	0 (0%)	36 (3%)	773 (63%)	1034	472
Total	56866	14231			14280	3954	662	68	386	19371	4843	561

(Source: Records of test checked units)

Glossary of Abbreviations

AAP	: Annual Action Plan
AE	: Assistant Engineer
ATIR	: Annual Technical Inspection Report
ATR	: Action Taken Report
BDO	: Block Development Officer
BeMC	: Berhampur Municipal Corporation
BMMU	: Block Mission Management Unit
BPL	: Below Poverty Line
BRGF	: Backward Region Grant Fund
CC	: Cement Concrete
CD	: Check Dam
CDA	: Cuttack Development Authority
CDP	: City Development Plan
CDS	: Community Development Society
CEO	: Chief Executive Officer
CESU	: Central Electricity Supply Unit
CHO	: City Health Officer
CIF	: Community Investment Fund
CLF	: Cluster Level Forum
CMC	: Cuttack Municipal Corporation
CO	: Community Organiser
DA	: Daily Allowance
DLC	: District Level Committee
DLFA	: Director Local Fund Audit
DMMU	: District Mission Management Unit
DO	: Designated Officer
DPC	: District Planning Committee
DPO	: District Planning Office
DRDA	: Districts Rural Development Agency
DUDA	: District Urban Development Agency
DVMC	: District Vigilance and Monitoring Committee
EE	: Executive Engineer
EO	: Executive Officer
EPVG	: Extremely Poor And Vulnerable Group
FBO	: Food Business Operator
FSO	: Food Safety Officer
GGY	: Gopabandhu Gramin Yojana
GIA	: Grants-in-Aid
GP	: Gram Panchayat
GPLF	: Gram Panchayat Level Federation
GPTA	: Gram Panchayat Technical Assistant
GSSK	: Gram Sabha Sashaktikarana Yojana
HUDD	: Housing and Urban Development Department
ICDP	: Integrated Corporation Development Plan
IEC	: Information, Education and Communication
JE	: Junior Engineer
JICA	: Japan International Cooperation Agency
JPI	: Joint Physical Inspection
LFA	: Local Fund Audit
LPCD	: Litre Per Capita per Day
MI	: Minor Irrigation
MLD	: Million Litre per Day

MPR	: Monthly Progress Report
MS	: Mild Steel
MSW	: Municipal Solid Waste
MSWC	: Main Storm Water Channel
NAC	: Notified Area Council
NESCO	: North Eastern Electricity Supply Company
NGO	: Non-Government Organisation
NHC	: Neighbourhood Committee
NHG	: Neighbourhood Group
NRLM	: National Rural Livelihoods Mission
OLM	: Odisha Livelihoods Mission
OMC	: Orissa Municipal Corporation
OPSAP	: Orissa Panchayat Samiti Accounting Procedure Rules
OTC	: Orissa Treasury Code
OWSSB	: Odisha Water Service Sewerage Board
PDS	: Public Distribution System
PHEO	: Public Health Engineering Organisation
PMGSY	: Pradhan Mantri Gram Sadak Yojana
PRD	: Panchayati Raj Department
PS	: Panchayat Samiti
R&B	: Roads and Buildings
SFC	: State Finance Commission
SHG	: Self Help Group
SIO	: Slum Improvement Officer
SISSO	: Sulabh International Social Service Organisation
SJSRY	: Swarna Jayanti Shahari Rozgar Yojana
SLB	: Service Level Benchmark
SLSC	: State Level Steering Committee
SLVMC	: State Level Vigilance and Monitoring Committee
SMMU	: State Mission Management Unit
SPCB	: State Pollution Control Board
SRIN	: Small Retailer Identification Number
STP	: Sewerage Treatment Plant
SUDA	: State Urban Development Agency
SWM	: Solid Waste Management
TA	: Travelling Allowance
TIN	: Taxpayers Identification Number
TSFC	: Third State Finance Commission
UC	: Utilisation Certificate
UIDSSMT	: Urban Infrastructure Development Scheme for Small & Medium Towns
ULB	: Urban Local Bodies
UPA Cell	: Urban Poverty Alleviation Cell
VAT	: Value Added Tax
VLL	: Village Level Leader
VLW	: Village Level Worker
WRD	: Water Resources Department
ZP	: Zilla Parishad

©
Comptroller and Auditor General of India