

Chapter 1

Overview

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1.1 Introduction

This Report covers matters arising out of audit of some of the State Government Departments and their Autonomous Bodies. The primary purpose of this Report is to bring to the notice of the Legislature the important results of Audit. The findings of Audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will improve financial management of the organisations, contributing to better governance.

This Report comprises of the following two chapters:

- **Chapter 1** contains the profile of the Auditee Departments with a brief profile of the receipt/ expenditure for the last five years, the authority for audit, planning and conduct of audit, response of the Government to various Audit products, namely Inspection Reports, Compliance Audit Paragraphs, follow up action on Audit Reports, etc.
- **Chapter 2** of this Report contains observations relating to Compliance Audits of ‘Departmental execution of works and procurement of input materials by Integrated Tribal Development Agencies’ and ‘Augmentation of Water Supply in Urban Areas in the State (AMRUT and BASUDHA)’, besides 12 other Audit observations.

1.1.1 Audit Universe and Profile of the Auditee Departments

As per the Budget documents of the State, the Government of Odisha releases 44 grants, related to various departments. The Audit universe, under the office of the Principal Accountant General (PAG) (Audit-I), Odisha, comprises 11,768 units, related to 24 Grants of 21 Departments. The audit purview of the Office also includes 126 bodies/ authorities, which are either substantially financed from the Consolidated Fund of the State or audit of which has been entrusted by the Government under various sections of the Comptroller and Auditor General’s (CAG’s) DPC (Duties, Powers and Conditions of Service) Act, 1971. List of Departments and Autonomous Bodies/ Authorities/ Corporations under the audit jurisdiction of the Office of the PAG (Audit-I), Odisha, is shown in **Appendix 1.1**.

The trend of expenditure in major Departments under the audit jurisdiction of the Office of the PAG (Audit-I), Odisha during financial years (FYs) 2018-19 to 2022-23, is shown in **Table 1.1**.

Table 1.1: Trend of expenditure in major Departments

(₹ in crore)						
Sl. No.	Name of the Department	2018-19	2019-20	2020-21	2021-22	2022-23
1	Finance	12,351.26	16,438.34	16,260.98	18,994.58	36,270.08
2	School and Mass Education	14,161.88	15,292.46	15,123.72	16,460.99	20,495.46

Sl. No.	Name of the Department	2018-19	2019-20	2020-21	2021-22	2022-23
3	Panchayati Raj and Drinking Water	15,426.37	16,856.22	15,595.04	16,238.48	13,890.11
4	Health and Family Welfare	5,800.46	6,378.67	7,923.25	10,420.45	12,539.94
5	Water Resources	7,495.25	6,127.89	5,384.69	7,094.89	10,156.20
6	Housing and Urban Development	4,540.75	5,258.03	4,815.53	5,616.05	7,035.59
7	Rural Development	7,289.79	3,325.78	3,880.11	3,822.55	6,148.65
8	ST and SC Development, Minorities & Backward Classes Welfare	3,220.68	2,764.93	2,779.80	3,078.64	3,555.44
9	Higher Education	2,009.55	2,069.42	2,181.59	2,209.15	2,603.62
10	Co-operation	1,435.06	1,572.39	1,690.49	1,850.98	1,885.35
11	Planning and Convergence	987.37	707.84	991.76	1,127.37	1,401.26
12	Revenue and Disaster Management	931.75	1,013.64	973.95	990.25	1,237.64
13	Skill Development and Technical Education	592.08	704.47	681.50	597.22	829.32

(Source: Appropriation Accounts of Government of Odisha for FYs 2018-19 to 2022-23)

1.2 Mandate for Audit

Authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the CAG's DPC Act, 1971. CAG conducts audit of expenditure of State Government Departments under Section 13 of the CAG's DPC Act. CAG also conducts audit of other Bodies, which are substantially financed by the Government under Section 14 of the DPC Act. Section 16 of the CAG's DPC Act, authorises the CAG to audit all receipts (both revenue and capital) of the Government of India and of the Government of each State and of each Union Territory having a legislative Assembly. Besides this, CAG also conducts audit of bodies/ PSUs, audit of which is entrusted under Section 19(2), 19(3) and 20(1) of the DPC Act. Principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2020 and Auditing Standards, issued by the Indian Audit and Accounts Department.

1.2.1 Planning and conduct of Audit

Compliance Audits are conducted, as per the Annual Audit Plan. Units for Compliance Audit are selected on the basis of risk assessment of the Apex units, Audit units and Implementing agencies. This risk assessment is carried out on the basis of financial criteria, matters of social relevance, internal

control issues, past instances of defalcation, misappropriation, embezzlement, *etc.*, as well as audit findings reported in previous Audit Reports.

Inspection Reports (IRs) are issued to the heads of units after completion of audit. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed further as Draft Paragraphs for inclusion in the Audit Report. Detailed Compliance Audit Paragraphs are prepared on the issues of significance and selection of issues is done following the analogy explained above.

Formal replies furnished by Departments are carefully considered while finalising the materials for inclusion in the Audit Report. Audit Reports are laid before the State Legislature under Article 151 of the Constitution of India.

1.2.2 Lack of response of Government to Audit

Response of the Government to Inspection Reports

PAG (Audit-I), Odisha, conducts audit of Government Departments to check for compliance with rules and regulations in transactions and to verify the regularity in maintenance of important accounting and other records, as per the prescribed rules and procedures. After these audits, IRs are issued to the Heads of the Offices inspected, with copies to the next higher authorities. Important irregularities and other points detected during inspections, which are not settled on the spot, find place in IRs. Serious irregularities are brought to the notice of the State Government.

On intimation of any serious irregularity by Audit, the Government would undertake *prima facie* verification of facts and send a preliminary report to Audit, confirming or denying the facts, within three weeks of receipt of intimation. Where the fact of major irregularity is not denied by the Government in the preliminary report, the Government shall further send a detailed report to Audit, within two months of the preliminary report, indicating remedial action taken to prevent recurrence and action taken against those responsible for the lapse.

Besides the above, instructions from time to time have also been issued by the Finance Department of Government of Odisha for prompt response by the executive to IRs issued by the Accountant General, and to take timely corrective action as also to ensure accountability for deficiencies, lapses, *etc.*, observed during audit.

A six monthly report showing the pendency of IRs, is sent to the Principal Secretary/ Secretary of the concerned department, to facilitate monitoring and settlement of outstanding audit observations in the pending IRs.

The status of IRs issued up to March 2023, relating to 21 departments, showed that 42,738 paragraphs of 10,233 IRs, remained outstanding, as of June 2023. Department-wise and year-wise break-up of the outstanding IRs and Paragraphs is detailed in **Appendix 1.2**.

The unsettled IRs contained 3,343 paragraphs involving serious irregularities, such as theft, defalcation, misappropriation, *etc.*, of Government money, loss of revenue and shortages, losses not recovered/ written off, amounting to

₹ 175.62 crore. The Department-wise and nature-wise analysis of outstanding paragraphs of serious nature, is shown in **Appendix 1.3**.

Audit Committees, comprising representatives of the respective Administrative Departments, Finance Department and Audit, held 186 meetings regarding 17 Departments¹, out of the 21 departments under the Office of the PAG (Audit-I), for expeditious settlement of outstanding IRs/ Paragraphs. Audit Committee meetings were not held for the remaining four Departments². In the 17 Departments, where Audit Committee meetings were held during April 2022 to March 2023, 3,051 Paragraphs and 416 IRs were settled.

It is recommended that Government should ensure that a procedure is put in place for (i) action against officials, failing to send replies to IRs/ Paragraphs as per the prescribed time schedule (ii) recovery of losses/ outstanding advances/overpayments, *etc.*, in a time-bound manner and (iii) holding at least one meeting of each Audit Committee, every quarter.

1.2.3 Response of the Departments to Compliance Audit Paragraphs

Regulations on Audit and Accounts, 2020, stipulate that responses to Draft Audit Paragraphs proposed for inclusion in the Report of the CAG should be submitted within the specified period.

Finance Department, Government of Odisha, in its order dated August 2021, directed all the Departments to submit their responses to proposed Draft Audit Paragraphs, within four weeks.

Draft Paragraphs and Compliance Audit Paragraphs are forwarded to the Principal Secretaries/ Secretaries of the concerned Departments, as well as to the Finance Department, drawing attention to the audit findings and requesting them to send response within the prescribed time frame. It is also brought to their personal attention that, in view of the likely inclusion of such paragraphs in the Audit Reports of the CAG, which are to be placed before the Legislature, it would be desirable to include their comments on these audit findings.

Between October 2023 and May 2024, two Compliance Audit Reports and 12 Draft Paragraphs, proposed for inclusion in this Report, were forwarded to the Principal Secretaries/ Secretaries of the concerned Departments and to the Finance Department, through Official/ Demi-official letters, addressed to them by name. The concerned Departments did not send replies to one Compliance Audit Paragraph and seven Draft Paragraphs, featuring in this Audit Report.

¹ Departments of Excise; Panchayati Raj and Drinking Water; Rural Development; Housing and Urban Development; School & Mass Education; Revenue and Disaster Management; Women and Child Development; Finance; Higher Education; Labour & Employees' State Insurance; Health and Family Welfare; Electronics & Information Technology; ST&SC Development; Social Security and Empowerment of Persons with Disabilities; Skill Development and Technical Education; Sports & Youth Services and Information & Public Relations

² Planning and Convergence; General Administration and Public Grievance; Parliamentary Affairs and Mission Shakti

Responses of the Departments, as well as the replies to initial audit memos, wherever received, have been suitably incorporated in the Report.

1.2.4 Follow up on Audit Reports

After tabling of the Reports of the CAG in the State Legislature, Departments of the State Government are required to submit *suo motu* replies to the audit observations within three months. Review of outstanding replies on Paragraphs included in the CAG's Audit Reports on the Government of Odisha³, up to FY 2020-21 showed that replies relating to nine Paragraphs and one PA, involving five Departments, remained outstanding, as of September 2023 (*Appendix 1.4*). Out of 574 Paragraphs pertaining from FYs 2007-08 to 2020-21, 214 Paragraphs were selected for discussion by the Public Accounts Committee (PAC)/ Committee on Public Undertakings (COPU).

As stipulated in the Rules of Procedure of the PAC and COPU, Administrative Departments were required to take suitable action on the recommendations made by these Committees in the Reports presented by them to the State Legislature. Comments on the action taken or proposed to be taken on those recommendations were to be submitted within a period of four months.

Action Taken Notes on 15 Paragraphs, contained in Reports of the PAC, presented to the Legislature between FY 2018-19 and FY 2020-21, had not been submitted by two Departments⁴ to the Legislative Assembly, as of September 2023. These Reports of the PAC had recommended action related to recovery, disciplinary action, *etc.* A few significant cases are elaborated in *Appendix 1.5*.

1.2.5 Recovery at the instance of Audit

During FY 2022-23, Audit pointed out recovery of ₹ 1,208.23 crore, out of which, ₹ 1,131.25 crore was accepted by the audited entities. Out of the accepted amount, only ₹ 1.24 crore was recovered, as of March 2024. Besides, ₹ 10.16 crore was also recovered during the year, which pertained to previous years' outstanding amount.

1.3 Significant Audit Observations

The present Report contains two Compliance Audit Paragraphs and 12 individual Paragraphs. The significant observations therein, are presented in brief in the following paragraphs:

1.3.1 Departmental execution of works and procurement of input materials by Integrated Tribal Development Agencies

Integrated Tribal Development Agencies (ITDAs), functioning under the administrative control of the Scheduled Tribes and Scheduled Caste Development, Backward Classes & Minorities Welfare Department (SSD

³ These include Audit Reports on General & Social Sector up to 2019-20, Compliance Audit Reports for 2020-21 and Audit Reports on Local bodies up to 2020-21

⁴ Panchayati Raj & Drinking Water; and Rural Development

Department), are responsible for implementation of various welfare schemes towards integrated socio-economic development of the ST population, residing in the Scheduled Areas. Twenty-two ITDAs were established in Odisha during the period 1979-80 to 2022-23.

A Compliance Audit of 11 sampled ITDAs was conducted, covering the period from 2018-19 to 2022-23 to examine whether execution of departmental works and procurement of input materials by the ITDAs were in adherence of the extant rules and regulations issued by the State Government from time to time. The significant audit findings are as follows:

- Out of ₹1,709.47 crore available with the 11 sampled ITDAs during the period 2018-23, a sum of ₹1,190.44 crore (70 *per cent*) could only be spent, indicating poor spending efficiency of the sampled ITDAs.
- None of the sampled ITDAs had ever prepared Annual Accounts, though required under the provisions of the Societies Registration Act, 1860. Due to non-preparation of accounts, matters pertaining to loss or wasteful expenditure as well as inefficiencies in expenditure could not be addressed.
- The departmental execution of works should be carried out as per the provisions of the OPWD Code, where expenditures for departmental works should be incurred from the Personal Ledger accounts of the ITDAs, not through the separate accounts opened in the names of the JEs/ AEs. Contrary to this, all payments for Departmentally executed works were remitted to the Bank Accounts of Junior Engineers (JEs)/ Assistant Engineers (AEs), which was a major failure of internal control.
- The infrastructure development works were executed by JEs/ AEs of the ITDAs and they were paid towards cost of execution on the basis of the Running Account bills, raised and prepared by them as per the cost estimates, irrespective of the actual amount of expenditure. The amount was remitted to the bank accounts opened in the names of JE/ AE by the ITDAs. This arrangement was neither as per the extant guidelines nor as per any instructions of the Government.
- The JEs/ AEs had conducted personal transactions of ₹ 148.75 crore from these bank accounts, like withdrawal of cash through ATMs, payments through cheques, payments through POS, insurance premium payments, payments towards mobile phone recharges and UPI transactions. These were indicative of suspected misappropriation of public money by the JEs/ AEs concerned.
- In nine sampled ITDAs, against the reported expenditure of ₹ 20.71 crore for 490 works, vouchers for an amount of ₹ 17.33 crore only were available in the case record files *i.e.*, the amount of expenditure was more than the value of vouchers by ₹ 3.38 crore. In 325 test checked works, payments of ₹ 3.23 crore had been made towards goods and labour for which invoices were not available in the RA Bills.
- In case of 2,476 invoices relating to 544 test-checked works involving payment of ₹22.78 crore, irregularities such as dates of invoices (384)

and invoice numbers (169) not mentioned, duplicate invoices (21), invoices raised by entities not registered under GST (44) and invoices raised by entities different from the entities to whom the reported GST Registration number belonged to (14), were noticed in Audit.

- Cost estimates of 544 test-checked works had been prepared without conducting site visit, preparing drawing and design and index maps. In the absence of drawing and design/ plan for the departmental works, the actual deviations from the original estimates, if any, remained unverifiable.
- Co-operation Department, Government of Odisha had withdrawn (June 2005) the privilege granted to the Co-operative Societies, such as Odisha Consumer Co-operative Federation Limited and Regional Co-operative Marketing Society, to supplying items to Government offices, due to necessity of transparency and economy in public procurement. It was instructed that these societies had to compete with other suppliers, in tender processes. Despite withdrawal of privilege granted to the Co-operative Societies, 10 sampled ITDAs procured input materials valuing ₹ 54.25 crore out of total value of procurement of ₹ 74.51 crore from these co-operative societies without tender.
- Further, the Co-operative Societies had not actually sourced the input materials from their members. They had, in turn, issued Purchase Orders to private sector vendors on nomination basis, without following any tender procedure, who were the actual final suppliers. The price of the items, offered by the Co-operative Societies were simply accepted and paid by the ITDAs.
- No attempts had been made to empanel a pool of suppliers for the input materials, or to discover a fair market price by conducting any formal market surveys or by obtaining periodic price quotations or by examining the price lists published by public sector entities.
- The basis on which the prices quoted by these actual private suppliers had been accepted by the Co-operative societies and finally by ITDAs, was not found on record.
- The PA, ITDA, Paralakhemundi, overstepping his authority, had procured musical instruments and costumes worth ₹ 3.74 crore, against the administrative approval of ₹ 73.60 lakh only. The value of procurement included items worth ₹ 2.09 crore, purchased through two repeat orders, without inviting fresh tenders, which was irregular.

It is recommended that:

- ***The SSD Department may ensure preparation of annual financial statements by the ITDAs and get them audited annually.***
- ***The SSD Department may issue directions to ITDAs to immediately stop the irregular practice of operation of Bank Accounts by JEs/AEs for Departmental execution of works and adopt procedure given in the OPWD Code.***

- *The SSD Department may review all bank transactions done by JEs/AEs for departmental works across all the ITDAs and fix responsibility on the officials who have indulged in suspected misappropriation of Government funds.*
- *The veracity of the invoices included in the RA Bills, should be checked by the ITDAs before approving for payment.*
- *The SSD Department may issue directions to ITDAs to comply with the provisions of OPWD Code, so that Departmental execution of works is only taken up when genuinely necessary, and also to ensure compliance with provisions which function as key controls.*
- *The SSD Department may review and fix responsibility on Government personnel who were responsible for purchasing input materials for income generation schemes without preparation of indents .*
- *The SSD Department may ensure that ITDAs comply with the provisions of OGFR, so that procurement of input materials for income generation schemes is taken up economically and efficiently.*
- *The SSD Department may take up regular inspections of works executed by ITDAs and income generation schemes to ensure higher degree of compliance with statutory provisions and executive instructions.*
- *The SSD Department may fix responsibility and take appropriate action against the PA for procuring items in excess of the administrative approval granted and also for placing purchase orders to a supplier, without following due procedure.*

(Paragraph 2.1)

1.3.2 Augmentation of Water Supply in Urban Areas in the State (AMRUT and BASUDHA)

To address the issue of drinking water supply in the urban areas of the State, Government of Odisha (GoO) framed Odisha State Urban Water Supply Policy (OSUWSP), 2013 to provide universal access to potable water with verifiable service level benchmarks for citizens in urban areas of the State. Water supply projects for urban areas of the State were executed under two schemes viz., Atal Mission for Rejuvenation and Urban Transformation (AMRUT), launched by Government of India (June 2015) and Buxi Jagabandhu Assured Drinking Water to all Habitations (BASUDHA), launched by GoO (March 2018).

A Compliance Audit of “Augmentation of Water Supply in Urban Areas in the State (AMRUT and BASUDHA)” was conducted covering the FYs from 2018-19 to 2022-23, with broad objectives of assessing appropriateness of planning, efficiency in utilisation of allocated funds towards timely implementation of the water supply projects. Audit test-checked 120 water supply works in six sampled Divisions. The significant audit observations are as follows:

- During the period from 2018-19 to 2022-23, a sum of ₹ 3,279.59 crore was available for implementation of AMRUT and BASUDHA, out of which, ₹ 2,808.27 crore (86 *per cent*) had been utilised.
- A sum of ₹ 48.82 lakh from AMRUT grant, had been utilised irregularly towards remuneration of staff, purchase of vehicles and hire charges of vehicles.
- The OSUWSP, 2013 had emphasised on collection of at least 90 *per cent* current water charges. In the six sampled Divisions, the percentage of collection of water charges ranged from 24.79 to 76.91 *per cent* only. As a result, the outstanding dues towards water charges stood as high as ₹ 60 crore, as of March 2023.
- During the period 2018-23, 236 projects had been taken up in the six sampled Divisions. Of these, 161 projects had been completed, works in 23 projects were in progress and works in other 52 projects had not commenced, as of September 2023. The reasons for non-completion of works were delay in execution of work by the contractors, land acquisition issues, delay in finalisation of drawings and designs of the works, *etc.*
- OSUWSP, 2013 aimed to provide 135 Litres Per Capita Per Day (LPCD) water with cent *per cent* quality for physical, chemical and bacteriological tests at treatment plants, distribution points and consumer ends, by the end of year 2019. However, the actual quantity of water supply ranged between 47 and 132 LPCD, in four out of six sampled PH Divisions. At the State Level Water Testing Laboratory, 53,524 tests were conducted during 2018-23 against a stipulated target of 75,600 tests, registering a shortfall of 22,076 tests (29 *per cent*). Besides, in three out of six sampled Divisions, Water Testing Laboratories had not been established, as of September 2023.
- As per the water quality testing report relating to 1,905 locations of three sampled Divisions, 16 characteristics of water quality *viz.*, colour, turbidity, total hardness, total coliform, E-coli, *etc.*, were beyond the acceptable limits.
- In the renovated 4.5 MLD water treatment plant for supply of water to Burla township, constructed at a cost of ₹ 9.79 crore, the old clarifier had not been dismantled, due to which purified water from the new clarifier was getting mixed with the sludge in the old clarifier, making the water turbid, which was being supplied to the consumers, rendering the newly installed WTP unfruitful.
- Solar powered water supply projects installed in February 2020 at 26 locations under the WATCO Division, Berhampur, after incurring an expenditure of ₹1.74 crore, were found to be defunct due to lack of repair and maintenance.
- WATCO took up (between October 2020 and July 2022) metering project at a cost of ₹213.08 crore, to be installed between March 2023 and July 2023. Against installation of 7,34,528 water meters, only

5,45,138 (74.22 *per cent*) meters were supplied, with a delay ranging from one to 23 months, as of August 2023.

- In 16 water supply works under the five sampled Divisions, liquidated damages amounting to ₹ 11.07 crore had not been imposed on the contractors for delay in completion of works, in violation of Paragraph 2.3.1 of OPWD Code, Volume-I read with Clause 2(a) of conditions of contract with the contractors.

It is recommended that:

- *Accuracy of database of households covered under piped water supply projects should be ensured, as they form the basis for monitoring of ongoing works. Gap analysis and future planning should also be done to ensure that all households are covered.*
- *Supply of adequate quantity of drinking water as well as water supply for at least eight hours per day should be ensured, through timely completion of pending water supply projects.*
- *Steps should be taken to strengthen water testing laboratories, achieve required number of sample tests and conduct water tests at the consumer end, based on the parameters prescribed in OUWQMP, to ensure supply of safe drinking water to consumers.*
- *Proper utilisation of newly constructed facilities of water supply systems should be ensured including provisions for their Operation and Maintenance, to achieve the objective of enhanced water supply service for consumers.*
- *Database of all households provided with piped water should be maintained and meters installed therein for proper accounting of supplied water. Efficiency in collection of user charges may be ensured for making the service sustainable.*
- *Water supply projects should be planned and prioritised based on assessment of needs, to identify projects that are critically required for benefit of local population.*

(Paragraph 2.3)

1.3.3 Management of Privately Run Special Schools in Odisha

The Rights of Persons with Disabilities (RPwD) Act provides that every child, between the age of six to eighteen years, with benchmark disability, shall have the right to free education in a neighbourhood school or in a special school of his/ her choice. Further, the Rights of Children to Free Education and Compulsory Act, 2009 envisages provision of free and compulsory elementary education to children with disabilities. There were 108 Special Schools functioning in the State, as of March 2023. Out of these, 104 Special Schools were run by different Non-Government Organisations (NGOs), under the administrative supervision of the Social Security and Empowerment of Persons with Disabilities (SSEPD) Department. The NGOs established Special Schools with due registration with the State Government under the provisions of the RPwD Act. Besides the provisions of the said Act, they were to follow

the provisions of Right to Education Act and guidelines issued by the State Government regarding maintenance of standards of Special Schools.

A Compliance Audit, covering 65 Special Schools, all run by NGOs, functioning in the eight sampled Districts was conducted, covering the period 2018-23, to assess maintenance of standards of the schools. The significant audit observations are as follows:

- In the sampled districts, 23 (35 *per cent*) out of 65 sampled schools were functioning without registration under the RPwD Act.
- Basic minimum facilities in schools like classrooms, hygienic toilets, residential hostel accommodation, ramps, kitchen, dining space, purified drinking water, *etc.*, were not available in 8 to 53 sampled schools.
- Shortfall in aids and appliances, like Hearing aids, Braille Books, Teaching-learning aids for intellectually challenged students, at the sampled schools ranged from 30 to 72 *per cent*.
- Basic amenities like cots, mattresses, bed linens, blankets, mosquito nets, *etc.*, were not adequately available in hostels and the shortfall ranged between 8 and 43 *per cent*.
- Shortfalls in availability of Teaching, Skill Development and non-Teaching staff in the sampled schools were 36, 53 and 37 *per cent* respectively, indicating inadequate teaching and care given to the PwD students at the sampled schools.
- Inspection and monitoring mechanism of the SSD Department was inadequate, which resulted in various shortcomings in terms of inadequate or dilapidated hostel buildings, lack of classrooms, congested living space, unhygienic toilets, lack of drinking water, *etc.*

(Paragraph 2.5)

1.3.4 Implementation of Rashtriya Uchchatar Shiksha Abhiyan in the State

Government of India launched Rashtriya Uchchatar Shiksha Abhiyan (RUSA) with the objective of achieving Gross Enrolment Ratio of 32 *per cent* in higher education by the end of 2021-22, by improving the standards of State universities and colleges. In the State, 158 educational institutions had received ₹ 699.94 crore under RUSA, against which, utilisation was ₹ 562.86 crore, as of March 2023. Audit test-checked records pertaining to FYs 2017-18 to 2022-23, of 12 out of 158 educational institutions. The significant audit observations are as follows:

- Out of six Model Degree Colleges (MDCs) sanctioned under RUSA for establishment in the State, five MDCs, constructed at a cost of ₹ 32.03 crore were abandoned and eventually utilised as Skill Development Centres, due to selection of unsuitable locations. The other MDC constructed at Semiliguda, at a cost of ₹ 8.71 crore was

also abandoned, as the site of the MDC was acquired for construction of a National Highway.

- Establishment of a Cluster University at Berhampur under RUSA had to be abandoned midway after incurring expenditure of ₹ 11.30 crore, due to conflict between the lead and participating colleges, due to absence of an appropriate governance structure for smooth functioning.
- Out of ₹ 4 crore, received by Utkal University for establishment of a Centralised ICT Lab, a sum of ₹ 1.83 crore was utilised for procurement of 141 desktops, 88 laptops and other accessories, which were eventually distributed among the teaching staff as well as utilised for administrative works.
- Utkal University established Rural Technology Park at Chandikhole in July 2021, at a cost of ₹ 5.75 crore. However, the same was lying idle due to failure in making provision for drawing electricity supply.
- Biju Patnaik University of Technology procured 180 Desktop computers in November 2016 for its central library at a cost of ₹ 97.15 lakh. However, 65 Desktops were issued to its different academic departments/ administrative sections and the remaining 115 were kept idle for more than six years, as of March 2023.

(Paragraph 2.6)

1.3.5 Other Compliance Audit Observations

- In ITDA, Kaptipada, due to suspected misappropriation of funds meant for maintenance of rubber plantations, plantations over 179.43 acres were rendered unsuccessful, resulting in wasteful expenditure of ₹ 1.93 crore incurred on raising the plantations. Besides, due to non-establishment of Group Processing Centres, latex from four plantations, raised at a cost of ₹ 17.71 crore could not be collected for rubber processing, thereby depriving the beneficiaries of anticipated earnings.

(Paragraph 2.2)

- Cuttack Development Authority, while giving consent for sub-sub lease of an allotted plot, had not imposed a condition for depositing 50 *per cent* of the amount gained by the sub-lessee, in line with conditions of allotment of plots, which resulted in loss of ₹ 6.44 crore.

(Paragraph 2.4)

- Despite provisions in the Advertisement Policy, 1998 of the I&PR Department to adopt the rate of advertisements of the Central Bureau of Communication (CBC), formerly Director of Advertising and Visual Publicity (DAVP), Government of India, the Department paid advertisement bills to the private television channels at negotiated rates, which were higher than the rate of CBC. Such deviation from its own policy resulted in excess expenditure of ₹ 12.11 crore.

(Paragraph 2.7)

- The I&PR Department failed to complete the multi-purpose studio building in Bhubaneswar, despite lapse of 10 years and also constructed another building for District Information Public Relation Officer, Kalahandi at Bhawanipatna without any necessity. As a result, a sum of ₹ 1.40 crore invested in construction of these buildings remained idle.

(Paragraph 2.8)

- The Registration Authorities had not followed the provisions of the Indian Stamp Act, 1899 correctly while assessing imposable amount of Stamp Duty and Registration Fee. As a result, there was loss of revenue to Government, amounting to ₹ 83.88 crore.

(Paragraph 2.9)

- Land lease cases instituted between 1992 and 1997 for lease of land to the Mahanadi Coal Fields Limited had not been finalised, as of March 2023, due to lackadaisical approach of the revenue authorities. Consequently, Government revenue of ₹ 22.99 crore remained unrealised.

(Paragraph 2.10)