

CHAPTER-3

**DRINKING
WATER SUPPLY
PROJECTS**

3

Drinking Water Supply Projects Panchayati Raj and Drinking Water Department

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

3.1 Introduction

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

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

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

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

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

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

3.2 Financial Management

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

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

(₹ in crore)

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

(Source: Information furnished by OMBADC)

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

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

(₹ in crore)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.3 Rural Water Supply

3.3.1 Adhoc CAMPA fund, for rural water supply projects

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

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

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

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

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

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

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

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

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

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

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

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

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

(₹ in lakh)

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

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

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

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

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

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

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

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

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

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

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

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

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

⁴⁴ Jajpur, Keonjhar and Sundargarh

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

(Source: Information furnished by EIC, RWSS)

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

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

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

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

3.3.3 Audit findings on test-checked projects

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

3.3.3.1 Delays in completion of projects

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

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

3.3.3.2 Irregular splitting of estimates

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

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

⁴⁵ EEs, RWSS, Jajpur and Anandapur

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

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

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

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

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

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

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

(Source: Project documents)

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

⁴⁶ Keonjhar, Jajpur, Mayurbhanj and Sundargarh

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

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

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



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



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

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

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

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

⁴⁸ Barigon, Jhunjhuna, Kaniari, Matagadia and Mithigaon

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

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

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

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

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

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

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

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

3.3.3.5 Operation and maintenance of small PWS projects

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

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

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

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

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

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

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



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

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

In Bambilo and Bandhagaon villages, the pumps were not functioning properly. After running for 10 to 15 minutes, these were getting tripped off, for which the Overhead Tanks were not filled fully from the underground production wells to generate required pressure to supply water through distribution system. As such, water was not reaching at the tail



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

end of both the villages, due to which water supply was not being provided to households farthest from the pumping stations. Also, there was no water treatment

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

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

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

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

3.3.3.6 Operation and maintenance of two Mega PWS projects

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

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

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

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

3.3.4 Mega PWS projects under the compensation fund

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

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

(₹in crore)

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

(Source: Information furnished by the OMBADC)

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

3.3.4.1 Delay in completion of mega PWS projects

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

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

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

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

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

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

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

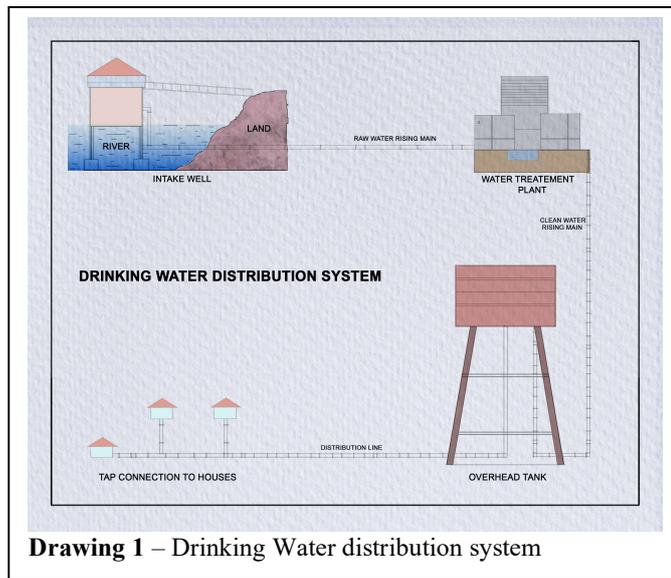
Scrutiny of records revealed that the EIC, RWSS, had executed (November 2019) an EPC contract agreement, with a contractor, for execution of mega PWS project for 19 mining affected villages of the Sukinda block, for completion by November 2021, at a cost of ₹46.19 crore. The Payment Breakup Schedule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

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

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

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

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



Drawing 1 – Drinking Water distribution system

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

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

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

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

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

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

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

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

3.3.4.3 Mega PWS projects for 200 villages of the Hatadihi block

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

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

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

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



Picture-6: Floating jetty type intake well



Picture-7: RCC structure intake well

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

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

3.5 Monitoring and supervision

3.5.1 Non-maintenance of Asset Register

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

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

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

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

3.5.2 Non-maintenance of Land records

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

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

3.5.3 Non-furnishing of project completion certificate

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

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

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

3.5.4 Lack of monitoring

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

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

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

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

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

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

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

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

Recommendations:

Government may consider:

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