

CHAPTER IV
Internal Controls
and Monitoring

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Internal Controls and Monitoring

This chapter contains audit findings on implementation of scheme for “Prevention of theft of minor minerals and eviction activities, tardy implementation of the scheme, monitoring of operational and non-operational sources, idle expenditure on satellite-based monitoring of minor mineral sources through the Odisha Space Application Centre and non-creation of Minor Mineral Enforcement Cell in Tahasils.

4.1 Introduction

A robust system of internal controls is vital for monitoring the mining activities of leaseholders and safeguarding the interest of the Government. In pursuance of this objective, the rules and notifications of the Government provide for verification of minor mineral quarries; issuance of transit passes to authorise despatch of minerals from lease areas; checking of transit passes of the minor mineral Despatched; and a system of periodic and surprise inspections by departmental officials and special squads, to exercise check over illegal mining.

By virtue of powers conferred under Section 23C of the Mines and Minerals (Development and Regulation) Act, 1957, the State Government framed Odisha Minerals (Prevention of Theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) (OMPTS) Rules, 2007, for prevention of theft, smuggling and illegal mining and to regulate the possession, storage, trading and transportation of minerals in the State of Odisha. The Rules provide for establishment of check-post(s) with or without barrier(s) at any place within the State to check the transport and storage of minerals raised without lawful authority and to check the quantity of minerals transported from lease-hold areas.

Audit observations, in this regard, are discussed in the following paragraphs.

4.2 Monitoring

4.2.1 Implementation of scheme for “Prevention of theft of minor minerals and eviction activities”

GoO resolution (June 2018) introduced principles/ procedure for implementation of a scheme “Prevention of theft of minor minerals and eviction activities,” from FY 2018-19 onwards, with the objective of strengthening monitoring mechanisms, to prevent illegal lifting/ theft of minor minerals, using technological interventions.

Analysis of records and information furnished by the Department, in regard to the sampled districts and Tahasils, revealed tardy implementation of the scheme, as discussed in the succeeding paragraphs.

4.2.1.1 Non-utilisation of funds

Scrutiny of records of the R&DM Department and the selected Tahasils revealed that ₹5.00 crore had been released (July 2018), to all 30 districts of the State, during FY 2018-19, with the instructions that: (i) the funds were to be utilised for implementation of the works prescribed by GoO for implementation of the Scheme and (ii) utilisation certificates (UCs) must be submitted by the end of April of the succeeding financial year. It was also instructed that the money should not be kept idle, in banks or cash.

However, without ensuring utilisation of the above funds, the R&DM Department again sanctioned ₹12.08 crore, during 2019-22. Out of the total sanctioned amount of ₹17.08 crore, UCs amounting to only ₹4.70 crore, had been received from the districts (as of March 2022).

Further, the sampled nine districts had received ₹5.74 crore, during 2018-22, out of which ₹5.01 crore had been released to Tahasils, for implementation of the Scheme. UCs amounting to ₹1.48 crore, had been submitted to Government and ₹73 lakh had been kept idle with the districts. No record relating to utilisation of the remaining ₹3.53 crore was made available for audit.

In reply, the Government stated (March 2024) that UCs for remaining amount of ₹ 3.53 crore are being obtained. The reply of the Government is not acceptable as the records regarding utilisation of funds of ₹3.53 crore had not been furnished to Audit for verification.

4.2.1.2 Tardy implementation of the scheme

As per resolution issued (June 2018) by the GoO, different activities were to be undertaken under the scheme. These included pillar posting⁵² on the perimeter of sources, Differential Global Positioning System (DGPS)⁵³ surveys, web-based monitoring⁵⁴ of sources, setting up of weigh bridges/check gates, installation of CCTV cameras, real-time monitoring of transport vehicles *etc.*,

Scrutiny of records and information, furnished by 20 out of the 22 selected Tahasils, revealed that the Tahasildars of the test-checked Tahasils received funds of ₹1.22 crore, during 2018-22, and had incurred expenditure of ₹67.89 lakh (56 *per cent*), leaving balance of ₹54.11 lakh (44 *per cent*) unutilised.

Audit noted the following status of implementation, in regard to the above activities:

⁵² Posting cement concrete pillar on the perimeter of the source for its demarcation

⁵³ A Differential Global Positioning System (DGPS) is an enhancement to the Global Positioning System (GPS) which provides improved location accuracy

⁵⁴ Web Based Monitoring System empowers administrators to monitor the sources from web browser

- i. Funds had been spent by only 16 Tahasildars, on hiring of vehicles for survey teams and enforcement activities, and purchase of related equipment and machinery.
- ii. Setting up of weigh bridges/ check gates at square points of Blocks/ Tahasils and lifting points, installation of CCTV cameras, DGPS survey and real-time monitoring of transport vehicles with GPS, had not been taken up in all the 20 Tahasils, for which information had been furnished.
- iii. Web-based monitoring of the mineral sources had not been carried out, in 17 out of 20 selected Tahasils.

Thus, despite availability of funds at the District and Tahasil levels, the activities prescribed under the scheme had not been taken up.

In reply, the Government stated (March 2024) that UCs for remaining amount of ₹ 54.11 lakh are being obtained. The reply of the Government is not acceptable as Web-based monitoring of the mineral sources had not been carried out, despite availability of funds at the District and Tahasil levels which indicated improper monitoring of the sources by the department.

4.2.2 Poor monitoring of operational and non-operational sources

As per instructions (January 2011/ March 2012) of the R&DM Department: (i) all minor mineral sources were to be clearly demarcated; (ii) signboards, with the contact numbers of Tahasildars, were to be displayed, at the site of both operational and not operational sources; (iii) the Tahasildars were to inspect each of the quarrying sites under their jurisdiction, at least once in every fortnight and submit fortnightly reports, giving a detailed narration of their inspection, findings, action taken, fines and penal measures resorted to by them with regard to each quarry, to the concerned Sub-Collector, with a copy to the Collector, by the end of each fortnight; and (iv) all complaints of unauthorised quarrying were to be inquired into within 48 hours and results intimated to the petitioners as well as the next higher authorities of the officer receiving such complaint.

- i. Scrutiny of records and information furnished by the 22 test-checked Tahasils, revealed that fortnightly inspections, of the sources under their jurisdictions, had not been conducted and no reports had been furnished to the Sub-Collectors concerned. Further, none of the test-checked Tahasils had maintained any complaint registers.
- ii. Joint Physical Inspections of 88 mineral sources, under selected Tahasils, were conducted (between August 2021 and March 2022), by Audit, with the Tahasildars, Revenue Supervisors and RIs, and the findings are as below:
 - Pillar posting had not been done in 73 sources, due to which it was not possible for the authorities to ascertain whether quarrying was being done within or beyond the lease area.

- Contact numbers of Tahasildars were not available in 62 signboards. Thus, the public did not have ready information, for making any complaints regarding illegal quarrying.

After this was pointed out by Audit, nine⁵⁵ Tahasildars stated that monthly and fortnightly inspections had been conducted from February 2021 onwards and data had been uploaded in the Dynamic Web Information Systems of the Tahasil (DWIST) portal. Three⁵⁶ Tahasildars stated that inspections were being conducted regularly. Tahasildar, Jajpur, replied that steps were being taken to conduct inspections as per schedule, at the sites of the sources and instructions were accordingly being issued to field staff. Tahasildar, Parjang, stated that monthly inspection report and MPR had been submitted to Collector, Dhenkanal in June 2020. Tahasildar, Sambalpur stated that the sources had been visited frequently, but inspection notes had not been prepared. Six⁵⁷ Tahasildars had not furnished any reply.

Relevant records, in support of such inspections, were not furnished to Audit by any of the Tahasildars. Further, the details of inspections uploaded in the DWIST portal were not made available to Audit.

In reply, the Government stated (March 2024) that minor mineral sources are being monitored through i4MS system and factual position of the sources like source details, lessee details, statutory clearance details are being monitored on real time basis. However, the fact remains that the Government has failed to implement monitoring mechanism to ascertain whether quarrying was being done within or beyond the lease area.

4.2.3 Idle expenditure on satellite-based monitoring of minor mineral sources, through the Odisha Space Application Centre

In order to make the administration of minor mineral sources more efficient and systematic, Differential Global Positioning System (DGPS) survey of all minor mineral sources, was proposed to be undertaken, by the Steel and Mines Department (December 2016), through Odisha Space Application Centre (ORSAC).

Scrutiny of records of the R&DM Department revealed that the Steel and Mines (S&M) Department had released ₹ one crore, to ORSAC, for DGPS survey of all minor mineral sources of the State, for better monitoring. The Tahasildars were instructed (May 2017) to carry out the survey work of sairat sources, pillar posting, preparation of maps of minor mineral areas to complete the work by 31 July 2017 and thereafter, supply the required data to ORSAC, to complete the DGPS survey, by 31 March 2018. Further, the S&M Department had released (December 2017/ March 2018), funds of ₹1.86 crore (₹60.02 lakh + ₹1.26 crore) in two phases⁵⁸, to the District Collectors, for

⁵⁵ Balangir, Bargarh, Barpali, Bhanjanagar, Chhatrapur, Chikiti, Kantabanji, Patrapur and Puintala

⁵⁶ Birmitrapur, Dharmasala and Sadar Sundargarh

⁵⁷ Dhenkanal, Gurundia, Jagannathprasad, Jagatsinghpur, Jaleswar and Rourkela

⁵⁸ ₹60.02 lakh vide sanction order No.10577 dated 23.12.2017 and ₹126.27 lakh vide sanction order No.1797 dated 13.3.2018

pillar posting on the perimeter of 4,239 sources. Of the above funds, ₹64.54 lakh had not been drawn/ surrendered, by 12 Collectors⁵⁹. Out of the balance ₹1.21 crore, UC amounting to ₹52 lakh had been submitted, while the balance UC, for ₹69 lakh had not been submitted, as the funds had not been utilised for pillar posting (as of September 2022).

As per the status submitted (July 2020) by ORSAC⁶⁰, out of the 4,239 sources, in 317 Tahasils of the State, DGPS survey of only 532 minor mineral sources, in 48 Tahasils, had been completed. No information was available regarding further progress upto March 2022.

Scrutiny of records of the 22 test-checked Tahasils, showed that, out of the total 520 sources in these Tahasils, pillar posting had been completed only for 192 sources in 17 Tahasils, while no information was available in regard to five Tahasils. Data regarding DGPS survey was also not available.

Thus, the planned target, for satellite-based monitoring of minor mineral sources, had not been achieved (as of March 2022) and funds of ₹2.22 crore, incurred on pillar posting and DGPS survey, had remained idle (as on the date of audit, *i.e.*, September 2022)

In reply, the Government stated (March 2024) that DGPS survey for 1,183 minor mineral sources was completed by R&DM Department. After transfer of the subject "Minor Minerals" from R&DM Department to S&M Department, DGPS survey have been completed for 2,054 minor mineral sources as on 06 March 2024. During the year 2017-18, funds to the tune of ₹ 1.86 crores has been allotted by S&M Department to the District Collectors for DGPS Survey of Minor Mineral sources. UCs to the tune of ₹ 26.67 lakh has been received by R&DM Department. However, the fact remains that the Government has failed to conduct DGPS survey of all sources for satellite-based monitoring of minor mineral sources.

4.2.4 Non-creation of Minor Mineral Enforcement Cell in Tahasils

To ensure better management of minor minerals in 144 mineral-rich Tahasils identified in the State, GoO decided (November 2019) to create 144 Enforcement Cells, 144 additional posts of R.I. and 144 posts of Amin,⁶¹ to be deployed in those Tahasils, for better management of mineral resources and augmentation of revenue from these sources. The enforcement cell in each Tahasil was to be headed by an Additional Tahasildar. The identified 144 mineral rich Tahasils included 12⁶² out of the 22 Tahasils selected for audit.

Scrutiny of records of the selected Tahasils revealed that enforcement cells had not been constituted in any of the 12 mineral rich Tahasils, as on the date

⁵⁹ Balasore, Balangir, Boudh, Cuttack, Kalahandi, Khurda, Koraput, Nabarangpur, Puri, Rayagada, Sambalpur and Sundargarh

⁶⁰ Vide letter No.1982 dated 14.7.2020 of ORSAC

⁶¹ 'Amin' is a group C level Government official, responsible for measurement and evaluation of land and structures

⁶² Barpali, Balangir, Dharmasala, Dhenkanal, Jagannathprasad, Jagatsinghpur, Jajpur, Jaleswar, Kantabanji, Patrapur, Puintala and Sundargarh

of audit (September 2022). Further, there was shortage of manpower, against the sanctioned strength, in the 22 selected Tahasils: 10 posts of Additional Tahasildars, 37 posts of RIs, 100 posts of Assistant Revenue Inspector (ARI) and 89 posts of Amin, were lying vacant in 22 Tahasils, as detailed in *Appendix – XII*. Thus, not only had the enforcement cells not been created, but adequate manpower was also not available in the Tahasils, for achieving the desired objectives.

In reply, the Government stated (March 2024) that guideline for operation of State Level Enforcement Squad has been issued by S&M Department on 25 October 2023. Seven SLEs/ DLEs will be constituted under the seven DIG ranges of Odisha. However, the Government compliance is futuristic and subject to actual implementation.

4.2.5 Deployment of Odisha Industrial Security Force personnel in sensitive Tahasils

The R&DM Department decided (February 2018) to deploy one section of police personnel, at each of the 10 Tahasils/ two Sub-divisions⁶³ identified as 'sensitive', to protect mineral sources and prevent illegal lifting and theft of minor minerals. It was reiterated (August 2018) that the services of these forces were to be extensively utilised by Tahasildars, in a planned manner, to prevent illegal lifting of minor minerals. An Action Plan, for the same, was to be prepared in advance and the police teams were to be led by the concerned police officer and accompanied by the concerned Additional Tahasildar/ Tahasildar. GoO instructed (October 2018) that the services of the Armed Police Reserve (APR) Force, be utilised at least thrice a week in the Tahasil and detailed reports furnished to the R&DM Department.

Scrutiny of records in two test-checked Tahasils⁶⁴, included in the above 10 identified Tahasils, revealed that no Action Plans had been prepared by them, for deployment of the APR Force. Against the required 1,062 enforcement/ raids, during October 2018 to March 2022, only 16⁶⁵ raids (1.51 *per cent*) had been conducted. Thus, adequate measures, to protect mineral sources, were not being taken.

In reply, the Government stated (March 2024) that seven SLEs/ DLEs will be constituted under the seven DIG ranges of Odisha. However, the Government compliance is futuristic, subject to actual implementation and adequate action was not being taken for protecting mineral sources.

⁶³ Anandapur, Baranga, Bhanjanagar Sub-division, Cuttack Sadar, Chhatrapur Sub-division, Dharmasala, Jaleswar, Jharsuguda/ Lakhapur/ Brajarajnaragar on rotation basis, Ranapur and Tangi

⁶⁴ Dharmasala Tahasil of the Jajpur district and Jaleswar Tahasil of the Balasore district

⁶⁵ Dharmasala Tahasil: 14 and Jaleswar Tahasil: 2