Name of the Department	Name of unit	No. of SB/ current a/c	Interest as per flexi rate	Interest actually earned	Loss of interest
			(₹ in crore)		
School & Mass Education (S&ME) Department	Odisha Primary Education Programme Authority (OPEPA)	8	2.55	1.68	0.87
	District Education Officer (DEO), Khurda	2	3.28	2.47	0.81
Total			**36.95**	**21.56**	**15.39**

(Source: Records of above mentioned units)

P&C, H&UD and W&CD and MS Department, Secretary OMTES and State Project Director, OPEPA stated (during February to July 2017) that they had already converted SB accounts/ Current accounts to flexi accounts. PA, ITDA, Nabarangpur and Baliguda, DWOs, Jharsuguda and Gajapati stated (March 2017, February 2017 and December 2016) that they were taking steps for conversion of savings accounts into flexi accounts. PA, ITDA, Jeypore stated (January 2017) that they had not received specific instruction from higher authority for keeping the scheme funds in flexi accounts.

Thus, non-adherence to the instructions of FD had led to interest loss of ₹ 15.39 crore during the period 2013-16.

Higher Education Department

3.6 Undue favour to a firm for setting up of Language Laboratories (LLs)

The decision to award the work of setting up of LLs in 108 colleges of the State to a private firm on nomination basis was not in order. Further, there was no enrolment in 42 colleges where LLs were set up at the total cost of ₹ 8.64 crore.

Government of Odisha in Department of Higher Education (HED) decided (January 2012) to set up Language Laboratory (LL) in all the universities, Government and Government aided degree colleges of the State. The aim was to improve the communication skills of the students. Detailed Project Report (DPR) for setting up of LLs involved civil works like interior furnishing with electrical fittings in the rooms provided by college, supply of computer hardware, software and other accessories. The floor area of LL prescribed in DPR was 1200 sft. with 30-seated capacity. The estimated total financial implication for all the institutions was ₹ 92.82 crore.

A committee under the chairmanship of the then Principal Secretary of the Department decided (November 2012) to award the work on nomination basis to a firm 'Centre for Advanced Communication (CACM)'. CACM was stated as a unit of Indian Institute of Technology (IIT), Kharagpur which is a reputed technical institute of Government of India (GoI). The Department signed

(March 2013) a Memorandum of Understanding (MoU) with CACM with a validity of three years. As per the MoU, the LL was to be set up (at each centre) in two rooms to accommodate 24 students at a unit cost of ₹ 20 lakh per LL. On expiry of the MoU in February 2016, HED renewed (March 2016) the same and approved for setting up of LL in another 20 colleges by February 2017. Subsequently, 108 LLs were completed in 40 Government and 68 Aided colleges of the State between May 2013 and November 2016. An amount of ₹ 22.88 crore had been paid to CACM as of March 2017.

Audit observed the following irregularities:

- CACM was a single entrepreneur private organisation and had no administrative and financial relation with IIT, Kharagpur. Therefore, its selection in the pretext of IIT, Kharagpur was not in accordance with rules. In fact, it was arbitrary and illegal.
- As per Para 3.5.9 of OPWD Code (Vol.1), tender should invariably be invited publicly for all works with estimated cost above ₹ 5 lakh except in cases of additional items of works. The Financial Adviser-*cum*-Additional Secretary of HED had suggested for an open tender. He had also suggested to endorse the file to Finance Department for its concurrence on awarding the work to CACM. But the then Principal Secretary[96], HED on 7 January 2013 rejected his view and ordered to proceed by stating that CACM was a Central Government institution and work could be given without tender. Subsequently, the concurrence of Finance Department on the MoU was taken in February 2013.
- The Department also did not recover ₹ 22.88 lakh as Tax Deducted at Source (TDS) from CACM for the entire payment period, considering it as a GoI institute.
- Out of 102 colleges covered under audit where the LLs were set up, Audit observed that 56 colleges had no student enrolment. In 42 colleges, the LLs were installed one to three years ago at the total cost of ₹ 8.64 crore. In the remaining 14 colleges, the LLs were installed during the last (2016-17) academic year.
- Students were reported as enrolled in 46 colleges though 13 of these colleges failed to produce any evidence of enrolment. The Principals of the test-checked colleges attributed the idling of LLs to shortage of teaching staff, non-inclusion of the course in academic calendar and non-provision of power supply.

The decision to award the work to a private party on a nomination basis in the pretext of a Central Government Organisation was illegal. The PS, HED had taken an arbitrary decision contrary to rules of procurement and guidelines of Central Vigilance Commission (CVC). This was in spite of the recommendations of the FA. Thus, an undue favour to CACM was given in violation of codal provisions. Also, the objective of the Government was not achieved due to ineffective utilisation of LLs after incurring ₹ 22.88 crore on the project.

[96] Sri Gagan Kumar Dhal, IAS

The Department stated (July 2017) that since CACM was set up at Science and Technology Entrepreneur's Park (STEP) at IIT, Kharagpur and STEP works as a part of IIT, Kharagpur, it was thought that CACM had better credibility than others. It was also stated that since LL was not a part of syllabus, the attendance in some colleges had not been maintained strictly.

The above reply was not acceptable as CACM was only an entrepreneur under STEP and was never a unit of IIT, Kharagpur. The then PS should be held responsible for taking such arbitrary decision for misguiding the Government. Further, 55 *per cent* of colleges having no enrolment and 13 *per cent* colleges having no records of enrolment was sufficient to question the fruitfulness of expenditure incurred on LLs.

Home Department

3.7 Illegal occupation of Government property

Failure of the prison authorities in taking possession of a Government property valuing ₹ 4.86 crore meant for children of prisoners, led to illegal occupation of the same by a Non-Government Organisation.

The Finance Department had instructed in September 2005 that assets created had to be put to use to derive maximum benefit. Further, Section 4 (1) of the Odisha Public Premises (Eviction of Unauthorised Occupants) Act, 1972 envisaged that unauthorised occupants of Government property in urban area were to be evicted.

The State Government decided in November 2010 to set up a hostel for children of prisoners at Bhubaneswar. Accordingly, the General Administration (GA) Department provided (August 2011) 0.500 acre land[97] valuing ₹ 3.50 crore[98] to the Home Department. The Director of Prisons accorded administrative approval for ₹ 1.36 crore. The Odisha State Police Housing and Welfare Corporation Limited (OSPHWC) was to execute the work. OSPHWC completed the construction in February 2013 and requested (March 2013) the Superintendent of Special Jail, Bhubaneswar to take possession of the property. The Superintendent, however, did not take possession of the property without any recorded reason. OSPHWC also did not provide watch and ward thereafter.

During the joint physical inspection[99] of the property, Audit found that a Non-Government Organisation[100] (NGO) had occupied the property unauthorisedly. The NGO was using the ground floor as hostel[101]. From the records of OSPHWC, Audit observed[102] that the NGO had used the property for shelter of the children[103] during the cyclone *Phailin*[104] who continued to occupy the

97 Revenue Plot no. 83 (Pt) at Laxmi Sagar *mouza* of Bhubaneswar Municipal Corporation

98 As per the benchmark value fixed by the General Administration Department

99 Conducted on19 November 2016 by the representative of the OSPHWC in the presence of Audit

100 Odisha Patita Udhhar Samiti was working for the orphans

101 57 children of the NGO were staying in the hostel

102 During October-November 2016

103 Children of its educational institution

104 Occurred in October 2013