



SUPREME AUDIT INSTITUTION OF INDIA  
लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest

**Report of the  
Comptroller and Auditor General of India  
on Local Bodies  
for the period 2021-22 to 2022-23**

**Government of Assam  
Report No. 6 of 2024**



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## **PREFACE**

This Report for the year ended 31 March 2023 has been prepared for submission to the Governor of Assam under Article 151 (2) of the Constitution of India for being laid before the State Legislature. This is the 15<sup>th</sup> Report prepared on Local Bodies in Assam.

2. This Report provides an overview of functioning of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) in the State and draws the attention of executive departments to major audit findings of audits conducted during 2021-23, for taking appropriate remedial action.

3. The Report contains five chapters. Chapter I and Chapter III contain overviews of PRIs and ULBs along with comments on financial reporting respectively. Chapter II and Chapter V contain findings emerging from compliance audits of PRIs and ULBs respectively. Chapter IV contains results of a Performance Audit (PA) under ULBs.

4. The cases mentioned in this Report are consolidation of major audit findings arising out of audit of accounts of 198 PRIs and 15 ULBs which came to notice during the years 2021-23 as well as those which had come to notice in earlier years but could not be reported in previous Reports. Matters relating to the period after 2021-23 have also been included, wherever necessary.

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



# OVERVIEW



## OVERVIEW

This Report contains five chapters. The first and third chapters contain an overview of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. The second chapter contains results of Compliance Audit of PRIs. The fourth chapter contains a Performance Audit on the “Solid Waste Management in Urban Areas” relating to ULBs. The fifth chapter contains results of Compliance Audit of ULBs.

A synopsis of the findings contained in the Performance Audit on “Solid Waste Management in Urban Areas” and Compliance Audit on PRIs and ULBs is presented in this overview.

## CHAPTER – I

### An overview of Panchayati Raj Institutions

The devolution of fund, functions and functionaries to the PRIs were still not complete. Activity mapping of 23 out of the 29 subjects was done but orders for devolution of only seven subjects were issued to the PRIs. However, no function has been transferred to Panchayati Raj Institutions (PRIs) till October 2023.

*(Paragraph 1.3.3)*

There was shortfall in audit of PRIs by the Primary Auditor of PRIs in the State, Director of Audit, Local Fund, during the period 2018-19 to 2022-23, ranging between 50.68 and 58.73 *per cent*.

*(Paragraph 1.5.1.1)*

One thousand six hundred eighty four audit paragraphs pertaining to the period 2018-2023, with a monetary value of ₹1,660.80 crore, were pending for settlement (March 2023) for want of replies/ compliance.

*(Paragraph 1.5.3)*

During the period 2018-23, only 7 to 50 *per cent* of the ZPs submitted their budget to Commissioner of Panchayat and Rural Development for approval but none of the budget was approved due to non-adherence of the prescribed procedure. However, funds were regularly released and utilised by the PRIs irrespective of submission and approval of budget indicating that rigour and discipline in the financial and budgeting process in the PRI ecosystem was yet to be firmly established.

*(Paragraph 1.7.2)*

Own sources of revenue of PRIs showed a declining trend during the last five years indicating lack of initiative by PRIs to increase their own sources of revenue and reduce their dependence on Government Grants.

*(Paragraph 1.8.1)*

As of March 2023, there were 456 Utilisation Certificates (UCs) amounting to ₹3,971.52 crore outstanding for grants paid from 2001-02 to 2021-22 to the Panchayat and Rural Development (P&RD) Department. In absence of the UCs, it could not be

ascertained whether the recipients had utilised the grants for the purposes for which those were given.

**(Paragraph 1.8.2)**

As of 31 March 2023, the P&RD had not submitted 122 Detailed Countersigned Contingent (DCC) bills amounting to ₹102.55 crore for Abstract Contingent (AC) Bills drawn during 2001-02 to 2022-23. Non-adjustment of AC bills for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills.

**(Paragraph 1.8.3)**

Though there is a provision in the *eGramSwaraj* for generating reports related to creation of assets, the same was not generated. As the Asset Registers were not maintained, the assets of the PRIs could not be monitored, thereby leaving possibility for mis-utilisation/ mis-management of assets.

**(Paragraph 1.9.1)**

## **CHAPTER II**

### **Compliance Audit of PRIs**

Expenditure of ₹11.79 lakh incurred by Chief Executive Officer, Dhubri Zilla Parishad (ZP), on installation of Solar Street Lights through Junior Engineer, Dhubri ZP, was doubtful, as the expenditure was not supported by documentary evidence of actual execution.

**(Paragraph 2.1)**

The Executive Engineer, District Rural Development Authority (DRDA), Udalguri paid ₹4.29 lakh to the contractor for works not executed though recorded in Measurement Book, and thus the expenditure shown to have been incurred for the works was doubtful.

**(Paragraph 2.2)**

The Chief Executive Officer, Sonitpur ZP leased out markets to the bidders other than the higher bidder without sufficient justifications in violation of the Assam Panchayat (Financial) Rules, 2002. No prior approval of the Government, though stipulated in the Act, was obtained. This led to loss of revenue of ₹43.45 lakh for Sonitpur ZP.

**(Paragraph 2.3)**

## **CHAPTER – III**

### **An Overview of Urban Local Bodies (ULBs)**

As per Article 243ZE of the Constitution of India, it is mandatory for the States to set up Metropolitan Planning Committees (MPCs) in the metropolitan areas of the country. However, MPCs are yet to be constituted in the State.

**(Paragraph 3.4.3)**

There was continuous shortfall in coverage of audit by Director of Audit, Local Fund (DALF) during 2018-19 to 2022-23 ranging from 41 per cent to 74 per cent.

**(Paragraph 3.5.1.1)**



As of March 2023, settlement of 555 paragraphs were pending for want of replies from ULBs concerned indicating that compliance to the audit observation was not taken seriously.

*(Paragraph 3.5.3)*

ULBs as well as Government of Assam (GoA) failed to discharge their responsibility in relation to identification of gaps in service delivery and taking corrective measures to mitigate the gaps and improve the service delivery mechanism.

*(Paragraph 3.9)*

During the years 2018-19 to 2022-23, out of 103 ULBs, 39 to 62 ULBs did not submit their budget to the concerned authority.

*(Paragraph 3.10.2)*

There were persistent savings under Grant No.34 and 73 related to Urban Development during the years 2018-19 to 2022-23. The percentage of utilisation of budget provision in respect of the two Grants was significantly low ranging between 15 and 68 *per cent*.

*(Paragraph 3.11.3)*

Two hundred twenty Utilisation Certificates (UCs) for grants paid during 2003-04 to 2020-21 to the Guwahati Development Department amounting to ₹1,295.90 crore were outstanding. In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given.

*(Paragraph 3.11.4)*

## CHAPTER IV

### Performance Audit on “Solid Waste Management in Urban Areas”

The Performance Audit on “Solid Waste Management in Urban Areas” revealed the following:

The “Draft Assam Urban Solid Waste Management (SWM) Policy, 2018” was yet to be approved by the Government till March 2023 even after three years of submission by Director of Municipal Administration (DMA) and six years after notification of the SWM Rules, 2016.

*(Paragraph 4.6.1)*

None of the 10 sampled ULBs had prepared long-term and contingency plans as of March 2022.

*(Paragraph 4.6.2.1 & 4.6.2.2)*

During the four-year period 2018-19 to 2021-22, against the total receipt of ₹144.14 crore, an amount of ₹41.47 crore (29 *per cent*) was utilised by the 10 selected ULBs. Wide variation was noticed, between 6 and 57 *per cent*, in the utilisation of funds by these ULBs.

*(Paragraph 4.7.3)*

Out of ₹27.87 crore released to 10 selected ULBs, UCs for ₹16.62 crore was submitted leaving a balance of ₹11.25 crore (40 *per cent*) outstanding as of March 2022.

*(Paragraph 4.7.3.2)*

All the selected ULBs fell short of the benchmark of 100 *per cent* in respect of segregation of waste and the performance of the majority of sampled ULBs was below 50 *per cent* of the Service Level Benchmarks. Unsegregated waste was being collected from the collection centres and transported directly to the dumpsite/landfills in mixed forms.

***(Paragraph 4.9.2)***

In all the 10 sampled ULBs, waste transportation was carried out by uncovered vehicles in mixed form causing littering of waste and polluting of the surroundings. Further, the sampled ULBs did not have Information and Communication Technology (ICT) based solution for tracking and monitoring of vehicles.

***(Paragraph 4.9.5)***

Expenditure of ₹3.04 crore remained unproductive due to non-utilisation of the Organic Waste Convertors (OWCs) after delivery of the machines to eight ULBs as of March 2022. Besides, the objective of procurement of the OWCs, to make use of waste and minimising burden on landfill also remained unachieved.

***(Paragraph 4.9.6.3.1)***

Except Dibrugarh MB, selected ULBs had neither set up landfill site as per prescribed guidelines nor had they obtained consent and authorisation from Pollution Control Board, Assam for processing and disposal of waste. There were several instances of non-compliance of the provisions of rules to regulate the manner dumpsites and landfills were to be located and maintained by the ULBs.

***(Paragraph 4.9.7.1)***

## **Chapter V**

### **Compliance Audit of ULBs**

The objective to provide adequate commercial facility to the citizen of Dabaka town by setting up a vendor market remained unachieved even after eight years of the target date of completion. It was attributable to prolonged inaction and lack of pursuance by the Municipal Board. This has rendered the expenditure of ₹3.66 crore on construction of the unfinished and unused market building unproductive besides potential loss of revenue.

***(Paragraph 5.1)***

Executive Officer, Udalguri MB, made payment of ₹0.35 crore for construction of *pucca* drain at Assam type Market Shed without actual execution of work by the contractor by falsely recording it in the Measurement Book.

***(Paragraph 5.2)***

# **CHAPTER-I**

**An overview  
of**

**Panchayati Raj Institutions**



## CHAPTER – I

### PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

#### An Overview of Panchayati Raj Institutions

#### Functioning of Panchayati Raj Institutions

### 1.1 Introduction

The 73<sup>rd</sup> Constitutional (Amendment) Act, 1992 (Article 243) conferred Constitutional status to Panchayati Raj Institutions (PRIs) and recognised them as the third tier of Government to ensure a more participative Government structure in the country. The amendment provided for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice. It also provided for transfer of 29 subjects (*Appendix-1.1*) listed in XI<sup>th</sup> Schedule of the Constitution of India to PRIs. Accordingly, the State was required to entrust PRIs with respective functions and functionaries, so as to enable them to function as Institutions of Local Self Government (LSGIs). The Constitutional Amendment provided for establishment of a uniform system within States, conduct of regular elections, regular flow of funds, *etc.* The legislative framework for conduct of business of the PRIs in Assam are based on:

- The Assam Panchayat Act, 1994 (AP Act, 1994)
- The Assam Panchayat (Financial) Rules, 2002 (AP (F) Rules, 2002)
- The Assam Panchayat (Administrative) Rules, 2002 (AP (A) Rules, 2002) and
- Government instructions issued from time to time.

Assam is the gateway of North-East India with an area of 78,438 sq. km. The population density of Assam is 398 per sq. km, which is higher than the national average of 382 per sq. km. Sex Ratio of females in the State is 958 per 1,000 males, which is also higher than the national average of 943, as per Census 2011. Rural population in the State is 2.68 crore (86 *per cent*).

There were 2,415 PRIs in the ‘General’ areas<sup>1</sup> of Assam, as on 31 March 2021. The Panchayati Raj system does not exist in the Sixth Schedule Areas, where local governance is vested with the respective Autonomous District Councils (ADCs).

Statistics related to the rural population of the State and the numbers of PRIs as per census of 2011, are given in **Table 1.1**.

**Table 1.1: Important Statistics of the State**

Sl. No.	Indicators	Unit	Value
1	Total Population	Crore	3.12
2	Rural Population	Crore	2.68
3	Sex Ratio (Females per 1000 Males)	Numbers	958

<sup>1</sup> Constitution of India has provided for constitution of separate Autonomous Councils for tribal areas of Assam under Sixth Schedule. Areas not falling under the provision of the Sixth Schedule are known as General areas.

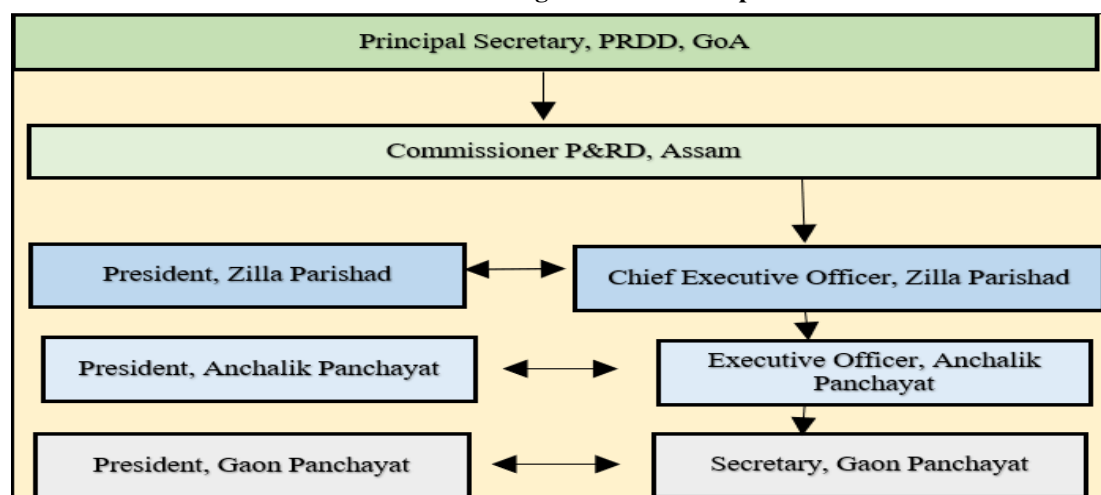
Sl. No.	Indicators	Unit	Value
4	Population Density	Per sq.km	398
5	Rural Literacy	Per cent	69.34
6	Number of districts	Number	34
7	Zilla Parishad (ZP)	Number	26
8	Anchalik Panchayat (AP)	Number	191
9	Gaon Panchayat (GP)	Number	2,198

Source: Census 2011, Statistical Handbook, Assam 2021 and eGramSwaraj website

## 1.2 Organisational Set-up in State Government and PRIs

The Principal Secretary (PS), Panchayat and Rural Development (P&RD) Department is the administrative head of the Department. The PS is assisted by the Commissioner, P&RD in the allocation of funds, overall control and supervision of functions and implementation of different schemes at the State level. The organisational set-up of PRIs is shown in **Chart 1.1**:

**Chart 1.1:-Organisational Set-up**



## 1.3 Functioning of PRIs

### 1.3.1 Administrative machinery in PRIs

The administrative set-up of Panchayats in the State comprises of a three-tier system, GPs at the village level, APs at the intermediate level (*co-terminus* with Blocks) and ZPs at the district level. The Constitution enjoins the State Government to make appropriate legislation regarding devolution of powers and functions to the Panchayats, in such a way as to enable them to function as Institutions of Local Self Government (LSGIs).

Subject to the provisions of the AP Act, 1994, Panchayats may make bye-laws to carry out their functions. The 73<sup>rd</sup> Constitutional Amendment empowers them with powers and authority in revenue mobilisation and gives them access to such resources as the State Legislature may, by law, confer on them. Accordingly, the AP (F) Rules were framed in 2002, as amended in 2004, empowering all the three tiers to levy and collect taxes. Through the AP (F) Rules, 2002, GPs got the power to levy certain taxes *viz.*, tax on houses and structures and tax on trades, *etc.* However, in April 2022, the Government rescinded the existing requirement of issuance of Trade License and suspended the levy of any tax or fee by the PRIs in setting up of business activities,

except for Foreign or Country Liquor shops, Educational institutions, Health establishment, Brick Kilns, Mobile Towers, Petrol Pumps, Timber saw mills, Go-downs, and other pollutant industries. Thus, complete autonomy to the PRIs in revenue mobilisation was not ensured.

### 1.3.2 Staffing pattern of PRIs

The AP (A) Rules, 2002 prescribes the staffing pattern for PRIs. In this regard, the Third Assam State Finance Commission (ASFC) observed (March 2008) that there was an acute shortage of staff at all levels of PRIs, which not only stands in the way of efficient performance of functions, but also retards collection of revenue from taxes and duties allocated to PRIs. The Third ASFC, therefore, recommended that the staffing pattern needed suitable modification, in conformity with the expanding activities of PRIs.

The Commissioner, P&RD informed (October 2023) that proposal for creation of posts as per recommendation of the Third ASFC, was submitted (May 2015) to the Government for approval.

### 1.3.3 Status of devolution of functions, funds and functionaries

The 73<sup>rd</sup> Constitutional (Amendment) Act, 1992, empowers the PRIs to perform functions related to 29 subjects listed in XI<sup>th</sup> Schedule of the Constitution of India. Central FCs and the State FCs had emphasised the need for complete transfer of funds, functions and functionaries (3 Fs) to the PRIs for meaningful devolution.

However, in Assam, the 3Fs were still not completely transferred to the PRIs. Activity mapping of 23 out of the 29 subjects<sup>2</sup> was done (June 2007) by GoA but orders for devolution of only seven<sup>3</sup> out of 23 subjects were issued to the PRIs. Though seven subjects were notified to be transferred, no function has been transferred to PRIs as yet (October 2023) and line Departments and other Agencies working parallel to PRIs, are performing those functions.

## 1.4 Formation of various Committees

### 1.4.1 Standing Committees

Sections 22, 52 and 81 of the AP Act, 1994 stipulate that PRIs shall constitute Standing Committees to perform functions assigned under the Act. Details of the constitution of the Standing Committees and their roles and responsibilities are given in *Appendix-1.2*.

### 1.4.2 District Planning Committee (DPC)

Article 243 ZD of the Constitution of India provides that the State Government should constitute a District Planning Committee (DPC), consisting of (i) members of the House

<sup>2</sup> Activity mapping for six subjects, viz., (i) Maintenance of community assets; (ii) Markets and fairs; (iii) Libraries; (iv) Technical training and vocational education; (v) Non-conventional energy sources; and (vi) Rural housing was not done.

<sup>3</sup> (i) Agriculture, including agricultural extension; (ii) Land improvement, implementation of land reforms, land consolidation and soil conservation; (iii) Animal husbandry, dairying and poultry; (iv) Adult and non-formal education; (v) Education, including primary and secondary schools; (vi) Khadi, village and cottage industries; and (vii) Rural electrification, including electricity distribution

of the People, who represent the whole or part of the district, (ii) members of the Assam Legislative Assembly; and (iii) number of persons, not less than four-fifth of the total number of members, from amongst the members of the ZP in districts, to consolidate the plans prepared by the Panchayats in the district and to undertake integrated development of the district. Accordingly, Section 3 of the AP Act, 1994 and AP (F) Rules, 2002 framed thereunder, provide that the State Government shall constitute a DPC, with a tenure of one year, in every district. The Deputy Commissioner is a permanent invitee to the DPC of the district, while the President of the ZP is the Chairman and the CEO of ZP is the *ex-officio* Secretary of the DPC.

The Commissioner, P&RD, Assam stated (October 2023) by that DPCs were constituted by all districts, which approves the annual Gaon Panchayat Development Plan, Anchalik Panchayat Development Plan and District Panchayat Development Plan prepared by the PRIs concerned and that the said development plans are available in the *eGramSwaraj* web portal.

## 1.5 Audit arrangement

### 1.5.1 Primary Auditor

The Director of Audit, Local Fund (DALF), Assam, established under the Assam Local Funds (Accounts & Audit) Act, 1930 is the Primary Auditor of all tiers of PRIs in the State. The Directorate is responsible for (i) carrying out the Audit of Local Funds with the help of 20 circle offices, each of which was headed by an Assistant Director to perform audit functions at the district level; and (ii) facilitating submission of Audit Reports of administrative departments. The audit must be conducted in conformity with the Assam Audit Manual, as also the relevant Government Rules and Amendments thereto, issued by the Government from time to time.

#### 1.5.1.1 Audit coverage by the DALF

There were arrears in the audit of PRIs by the DALF, during the period 2018-19 to 2022-23, ranging between 50.68 and 58.73 *per cent*. Year-wise position of units to be audited, and those actually audited, are detailed in **Table 1.2**.

**Table 1.2: Coverage of PRI units planned for audit by DALF in respect of PRIs**

Year	No. of units planned for Audit	No. of units audited	Shortfall ( <i>Per cent</i> )
2018-19	1,386	613	773 (55.77)
2019-20	1,105	471	634 (57.37)
2020-21	1,031	501	530 (51.40)
2021-22	1,105	545	560 (50.68)
2022-23	1,105	456	649 (58.73)

Source: Information furnished by DALF, Assam

The DALF stated (September 2023) that the shortfall in audit coverage was due to insufficient audit staff, engagement of audit personnel in specially entrusted accounts by the Government from time to time, election duty, *etc.*

Shortfall in coverage of audit by DALF has affected the accountability mechanism of PRIs in Assam.



### 1.5.1.2 Submission of Annual Audit Report by DALF

As per paragraph 101 (i) of the Assam Audit Manual, the DALF is required to send an Annual Audit Report to the Finance Department, by 30 September each year, incorporating major audit objections relating to Local Bodies, which are pending for settlement, for further action by the Finance Department. The DALF has so far submitted Audit Reports covering the period from 2010-11 to 2020-21. The status of submission of Audit Reports by DALF to the Government is shown in **Table 1.3**.

**Table 1.3: Audit Reports submitted by DALF to the Government**

Sl. No.	Audit Report for the year	Submitted to Government	Laid before Legislature
1	2010-11 and 2011-12	21 March 2013	10 February 2014
2	2012-13 and 2013-14	07 December 2014	19 December 2014
3	2014-15	13 November 2015	04 February 2016
4	2015-16 and 2016-17	30 October 2021	12 September 2022
5	2017-18 and 2018-19	30 May 2022	12 September 2022
6	2019-20 and 2020-21	Report under preparation	

Source: Information furnished by DALF, Assam

However, follow-up action and Action Taken Reports by Finance Department on the Annual Consolidated Audit Reports of the DALF remained pending, resulting in weakening of the accountability mechanism for the PRIs.

### 1.5.2 Audit by Comptroller and Auditor General of India

Comptroller and Auditor General of India (CAG) conducts audit of substantially financed Local Bodies under Section 14 (1) of CAG's (DPC) Act, 1971 and audit of specific Grants to Local Bodies under Section 15 of the Act *ibid*. The audit of Local Bodies is also conducted by CAG under Section 20 (1) of the Act, as per the Technical Guidance and Support (TGS) arrangements as entrusted by the State Government in May 2002, followed by the acceptance of the Standard terms and conditions of TGS (May 2011), pursuant to 13<sup>th</sup> FC recommendations.

### 1.5.3 Response to Audit Observations

Inspection Reports (IRs) were issued by the Accountant General (Audit), Assam to the PRI authorities concerned with a copy to the State Government. PRI authorities are required to provide responses to the audit findings contained in the IRs within a period of four weeks from the date of receipt of IRs. Important audit findings were also reported to the Government through the Audit Reports on Local Bodies. The details of outstanding paragraphs of the last five years in respect of PRIs (as of March 2023), are shown in **Table 1.4**.

**Table 1.4: Details of outstanding IRs and paragraphs in respect of PRIs**

Year of Issue	No. of Inspection Reports	No. of outstanding Paras	Money Value of audit objection (₹ in crore)	First reply furnished
2018-19	16	284	630.78	0
2019-20	8	92	155.90	0
2020-21	3	89	329.01	0
2021-22	67	411	155.61	3
2022-23	131	808	389.5	3
<b>Total</b>	<b>225</b>	<b>1,684</b>	<b>1,660.80</b>	<b>6</b>

Source: Progress Register

Thus, 1,684 paragraphs pertaining to the period 2018-2023, with a monetary value of ₹1,660.80 crore, were pending for settlement (March 2023) for want of replies/compliance from the PRIs concerned. Even the first reply had not been received for 1,678 paragraphs (99.64 *per cent*) out of 1,684 paragraphs. This was indicative of the fact that the PRIs were least interested to respond to the Audit observations and initiate corrective measures. The Administrative Heads of the departments concerned also did not ensure that the concerned officers of the PRIs took prompt and timely action in furnishing replies to IRs, which has resulted in weakening of the accountability mechanism of PRIs in Assam.

#### 1.5.4 Discussion of Audit Reports by Legislature

The Committee on Local Fund Accounts (CoLFA), constituted by the State Legislature, discusses the Audit Reports on Local Bodies. The position of discussion of Audit Reports by the Committee is shown in **Table 1.5**.

**Table 1.5: Position of Audit Reports discussed by the CoLFA**

Year of Report	Laid before the Legislature	Whether discussed by Legislature	Action Taken Report, if any
2013-14	10 August 2015	Discussed	Nil
2014-15	18 July 2016	Not yet discussed	Nil
2015-16	10 March 2017	Not yet discussed	Nil
2016-17	24 September 2018	Partially discussed	Nil
2017-21	11 September 2023	Not yet discussed	Nil

It can be seen from the above table that three out of five Audit Reports laid before the Legislature were yet to be discussed. Though, one Audit Report was discussed in full and another was partially discussed by the Legislature, action taken reports were awaited (March 2023).

#### 1.6 Accountability Mechanism of PRIs

The Assam Panchayat Act, 1994 does not provide for appointment of Ombudsman who is to act as an independent quasi-judicial authority for Local Self Government Institutions for conducting investigations and enquiries in respect of any complaints of corruption and maladministration and recommend suitable action. The Act also does not contain provisions for Social Audit to bring the activities of PRIs under close surveillance of the citizens to enable them to access the records and documents of PRIs as this would promote transparency and accountability in the day-to-day functioning of PRIs. Further, the guidelines of Centrally Sponsored Schemes *viz.*, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Pradhan Mantri Awas Yojana (PMAY), National Social Assistance Programme (NSAP), Mid-Day Meal, *etc.* specifically provide for social audit of these schemes.

*The State Government may consider amending the AP Act, 1994 to include a statutory provision for appointment of Ombudsman and for conduct of Social Audit to strengthen the accountability mechanism in PRIs.*

##### 1.6.1 Lokayukta

The Assam Lokayukta and Upa-Lokayukta Act, 1985 (Assam Act XX of 1985) was introduced to improve the standards of Public Administration, through investigation of

complaints received against ministers, legislators, and public functionaries, including those of Local Bodies.

The institution of the Lokayukta was headed by the Upa-Lokayukta since March 2001, as the post of Lokayukta had been lying vacant. The Upa-Lokayukta received 16 complaints during the years 2021-23, out of which none of the cases were related to PRIs.

The State Government needs to intensify efforts to educate the public about the existence and jurisdiction of the institution of the Lokayukta in the State.

### **1.7 Internal Control Mechanism in PRIs**

The internal control mechanism is an integral component of an organisation, which helps to discharge its activities effectively to achieve organisational objectives. Internal control measures assist in minimising the risk of errors and irregularities and ensures compliance with applicable rules and regulations so that the implementation of programmes is carried out in an orderly, economical, efficient and effective manner.

The internal control system at each level of the PRIs has been specified by GoA under the AP Act, 1994 and the AP (F) Rules, 2002, in addition to the State Government's own rules and policies relating to finance, budget and personnel matters. Significant provisions relating to the internal control mechanism in PRIs, as contained therein, are elaborated in *Appendix-1.3*.

Audit observed that the internal control mechanism in the PRIs as well as the controlling Department *viz.*, P&RD Department was lacking as evident from the following facts:

- There was shortfall in coverage of audit by the primary Auditor (DALF) ranging between 51 and 59 *per cent* against units planned for audit during 2018-23.
- There was delay in submission of Audit Report by DALF and no follow up action been taken by the concerned Department on the report submitted by the DALF.
- A large number of IRs issued by office of the Accountant General (Audit) remained unattended by the PRIs as well as the concerned Department.
- The Assam Panchayat Act does not have provision for appointment of Ombudsman for Social Audit.
- Budgets of the ZPs remained un-approved due to not following the prescribed procedures.

Although these shortcomings were regularly pointed out to the PRIs, as well as to the State Government, through Inspection Reports and Audit Reports, there was a marked lack of remedial action in this regard.

#### **1.7.1 Internal Audit**

Internal Audit is an important instrument for examining and evaluating the level of compliance with rules and procedures, as envisaged in the relevant Acts, in the Financial/ Accounting Rules, to provide independent assurance to management on the adequacy of the risk management and internal control framework in the Local Bodies.

Rule 18 of the AP (A) Rules, 2002 provides for utilisation of Internal Auditors of the P&RD for proper and correct maintenance of accounts of PRIs.

Though an Internal Audit Wing was in place in the Commissionerate of P&RD (CPRD), Assam, no audit was conducted by it. In fact, the Internal Auditors of CPRD audit cell pursue all audit observations of the AG, Audit/ DALF, Assam, all Public Accounts Committee and Assam Legislative assembly related matters, *etc.* The Department engages Charter Accountant every year for audit of the accounts of PRIs.

### 1.7.2 Submission of Budget

Rules 32, 33 & 34 of AP (F) Rules, 2002 stipulate that every GP, AP and ZP shall prepare their budgets before the beginning of the financial year in the prescribed formats. The ZPs are required to consolidate the budgets of the respective PRIs for submission to the State Government for final approval. Further, Section 96(3) of the AP Act, 1994 stipulates that no expenditure shall be incurred unless the budget is approved by the Government. The position of submission of budget by the ZPs is shown in **Table 1.6**.

**Table 1.6: Status of Budget submitted by Zilla Parishads**

Year	Total No. of ZP	No. of ZPs who did not submit budget for approval	No. of ZPs who submitted budget for approval	No. of ZPs whose budget was approved by Govt.	Remarks
2018-19	26	13	13	0	Budgets were not approved by the Government due to submission of incomplete particulars along with budget estimates and not enclosing the required particulars with the budget proposals.
2019-20	26	16	10	0	
2020-21	26	22	04	0	
2021-22	27	25	02	0	
2022-23	27	23	04	0	

Source: Information furnished by P&RD

It can be seen from the table above that during the period 2018-23, only 7 to 50 *per cent* of the ZPs submitted their budget to CPRD for approval. Further, due to not following the prescribed procedures while submitting the budget, none of the budget was approved by the Government.

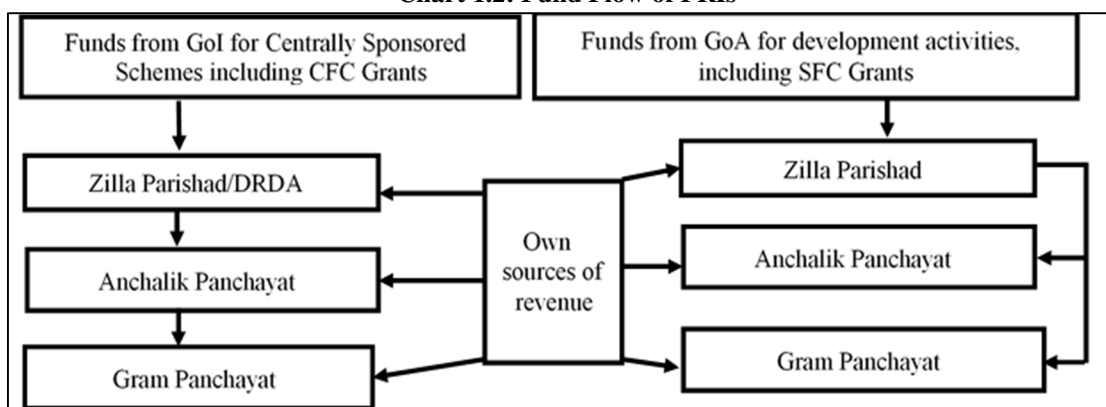
However, funds were regularly released and utilised by the PRIs irrespective of submission and approval of budgets indicating that rigour and discipline in the financial and budgeting process in the PRI ecosystem was yet to be firmly established.

## 1.8 Financial Reporting Issues

### 1.8.1 Sources of Funds

The main sources of income for Local Bodies in the State are the funds released by GoI/ GoA under various Centrally Sponsored Schemes (CSS), FC Grants, State Finance Commission (SFC) Grants and State Government Grants under various schemes. In addition, PRIs also mobilise revenue from their own sources, such as taxes, rents, license fees, *etc.* **Chart 1.2** shows the flow of funds in PRIs:

Chart 1.2: Fund Flow of PRIs



The receipts of Local Bodies, from all sources, during 2018-19 to 2022-23, are shown in **Table 1.7**.

Table 1.7: Time series data on resources of PRIs

	₹ in crore				
Source	2018-19	2019-20	2020-21	2021-22	2022-23
Own Revenue <sup>#</sup>	41.66	31.52	40.43	37.82	31.58
SFC Grants*	146.92	14.14	66.84	80.21	62.79
CFC Grants*	1,082.32	1,462.45	668.56	494.33	1,228.00
Interest for delayed payment of CFC Grants*	17.57	0	20.45	3.03	1.68
<b>Total</b>	<b>1,288.47</b>	<b>1,508.11</b>	<b>796.28</b>	<b>615.39</b>	<b>1,324.05</b>

Source: Information furnished by the \*Finance (Economic Affairs) Department, GoA & # eGramSwaraj data.

It can be seen from the table above that own source of revenue of the Local Bodies during the period 2018-19 to 2022-23 ranged only between 2.09 *per cent* (2019-20) and 6.15 *per cent* (2021-22) with most of the resources coming from CFC Grants and SFC Grants. The own sources of revenue of PRIs showed a declining trend during the last five years indicating lack of initiative by PRIs to increase their own sources of revenue and reduce their dependence on the Government Grants.

### 1.8.2 Delay in Submission of Utilisation Certificates

Rule 517 (Appendix 16) of the Assam Financial Rules, 1939 provides that every grant made for a specified object is subject to certain implied conditions such as (i) the grant shall be spent for the intended purpose, and within a reasonable time if no time limit has been fixed by the sanctioning authority, and (ii) any portion of the amount which is ultimately not required for expenditure for the purpose, shall be duly surrendered.

State Government authorities who have received conditional grants are required to furnish formal Utilisation Certificates (UCs) about the proper utilisation of the grants, to the Accountant General (A&E) within 12 months of the closure of the financial year in which the grants have been released, unless specified otherwise.

Audit scrutiny showed that as of March 2023, there were 456 UCs amounting to ₹3,971.52 crore outstanding for grants paid from 2001-02 to 2021-22 to the P&RD Department. In absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given.

### **1.8.3 Pendency in submission of DCC bills**

Under Rule 21 of the Assam Contingency Manual, 1989, Drawing and Disbursing Officers (DDOs) are authorised to draw sums of money for limited purposes by preparing Abstract Contingent (AC) bills without vouchers. Subsequently, Detailed Countersigned Contingent (DCC) bills (vouchers in support of final expenditure) are required to be furnished to the Accountant General (A&E) not later than 25<sup>th</sup> of the month following the month in which such amounts are drawn.

As of 31 March 2023, the P&RD had not submitted 122 Detailed Countersigned Contingent (DCC) bills amounting to ₹102.55 crore against Abstract Contingent (AC) bills drawn during 2001-02 to 2022-23. Non-adjustment of AC bills for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills.

## **1.9 Maintenance of Records**

### **1.9.1 Non-maintenance of Asset Register**

Rule 19 of the AP (F) Rules, 2002 stipulates that all properties vested in the ZPs, APs and GPs are to be entered in the Register of Properties and Assets, in Form 6 and the entries are to be attested by the officer concerned. Further, Formats V & VI in the PRIASoft (Panchayati Raj Institutions Accounting Software) relate to Register of Immovable and Movable property during a particular year.

Though there is a provision in the *eGramSwaraj* for generating reports related to creation of assets, the same was not generated. As the Asset Registers were not maintained, the assets of the PRIs could not be monitored, thereby leaving possibility for mis-utilisation/ mis-management of assets. Further, as some of the assets like market sheds, multipurpose halls, burial ground, *etc.* were revenue generating, the PRIs would not be able to keep track of revenue generated by such assets, which could also lead to misappropriation of revenue generated by such assets.

*The Government should take immediate steps to mobilise the PRIs to strictly maintain the asset registers and fix responsibility on the concerned officer for non-maintenance of vital records.*

### **1.9.2 Non-reconciliation of Cash Books**

Rule 8 of the AP (F) Rules, 2002, requires that all money received and payments made, should be entered in the Cash Book which should be closed daily. Further, monthly closing of the Cash Book, physical verification of cash and reconciliation of Cash Book balances with bank balances, under proper authentication, are also to be carried out.

It was observed that, in eight out of 198 PRIs<sup>4</sup> audited during 2021-2023, cash book balances were not reconciled with bank balances. As no reconciliation was done by the PRIs, discrepancies between Cash Book and Bank Pass book remained undetected.

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<sup>4</sup> Jorhat ZP, Hajo AP, Rampur Bogibil GP, Madhupur AP, South Hailakandi AP, Lala AP, Karimganj ZP and Algapur AP.



Thus, failure to reconcile the Cash Book, in terms of the provisions of the financial rules/ manuals, indicates irregularities in cash management. In addition, it could also facilitate fraud and embezzlement of Government money.

*The Government should take immediate steps to mobilise the PRIs for regular reconciliation of balances and fix responsibility for non-maintenance of vital records.*

### **1.9.3 Non-maintenance of Stock Register and Register of Receipt Book**

Rule 30 (3) and Sub-Rule (1) of Rule 16 of the AP (F) Rules, 2002 stipulate that PRIs are required to maintain Stock Register and Register of Receipt Book respectively.

However, it was observed that, in 60 out of 198 PRIs audited during 2021-2023, Stock Register and Register of Receipt Book was not maintained as detailed in **Appendix-1.4**.

Non-maintenance of Stock Register could lead to mis-utilisation of material intended for implementation of the schemes. Further, non-maintenance of the Register of Receipt Book may lead to embezzlement/ misappropriation of fund.

### **1.9.4 Non-maintenance of Accounts**

PRIs, with their increasing role, funds and enhanced accountability, are required to spend and record public money with utmost care. Such diligence could be achieved only if the financial recording and reporting systems are well established and functional. Accordingly, Model Accounting System was introduced (October 2009) by Comptroller and Auditor General of India on the recommendation of 11<sup>th</sup> CFC.

Instances of Annual Accounts not being maintained by PRIs have been brought to the notice of State Government on several occasions through Inspection Reports and Annual Technical Inspection Reports/Audit Reports.

The Commissioner P&RD, Assam stated (October 2023) that the accounts of the PRIs has now been made up to date.

### **1.9.5 Non-maintenance of database**

Based on the recommendations of the 11<sup>th</sup> CFC, CAG had prescribed database formats for capturing the finances of PRIs. The database formats were prescribed with a view to having a consolidated position of sector-wise resources and application of funds by PRIs, details of works executed by PRIs and their physical progress, *etc.*

Ministry of Panchayati Raj (MoPR), GoI had desired (January 2009) that CAG and NIC should work together to bring out the new version of PRIASoft that captures the three-tier revised classification and generates all the reports in the formats prescribed by the sub-committee on Budget and Accounting Standards for PRIs. PRIASoft is now called *eGramSwaraj*, which is mandatorily to be used by all the PRIs.

The PRIs were generating only five out of eight reports<sup>5</sup> (Annual Receipt and Payment, Consolidated Abstract Register, Monthly Reconciliation Statement, Inventory Register and Register of Demand, Collection and Balance). However, Register of Receivables and Payables, Register of Movable Property and Register of Immovable property forming an integral part of the annual accounts were not generated by PRIs. Maintenance of these registers would help in subsequent switch-over to the modified accrual system of accounting. Due to non-maintenance of the reports, PRIs were unable to monitor their assets as well as liabilities. Thus, a clear picture of revenue and expenditure of PRIs did not emerge.

The 14<sup>th</sup> CFC, in its report, also expressed dissatisfaction, mentioning that a reliable database on the finances of PRIs, was yet to be developed.

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<sup>5</sup> Format-I: Monthly/ Annual Receipts & Payments accounts. Format-II: Consolidated abstract, Format-III: Monthly Reconciliation Statement, Format-IV: Receivable and Payable, Format-V: Immovable property, Format-VI: Movable property, Format-VII: Inventory Register, Format-VIII: Demand, Collection and balance



## **CHAPTER-II**

# **Compliance Audit of Panchayati Raj Institutions**



## CHAPTER – II

### PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

#### Compliance Audit of PRIs

#### 2.1 Doubtful expenditure

*Expenditure of ₹11.79 lakh incurred by Chief Executive Officer, Dhubri Zilla Parishad, on installation of Solar Street Lights through Junior Engineer, Dhubri ZP, was doubtful, as the expenditure was not supported by documentary evidence of actual execution.*

As a part of devolution grant under Fifth Assam State Finance Commission, Commissioner, Panchayat & Rural Development, Government of Assam (GoA) allocated an amount of ₹1.74 crore for Dhubri Zilla Parishad (ZP) during 2018-19. Out of this allocation, the Chief Executive Officer (CEO), Dhubri ZP and the Deputy Commissioner (DC), Dhubri approved installation of 136 community wise Solar Street Light (SSL) at the total cost of ₹66.98 lakh. The cost approved for installation of each SSL was ₹49,510 which included an amount of ₹3000 for ‘barbed wire fencing with four wooden/RCC post’ and ₹600 for ‘erecting sign board against each of the SSL.’

CEO, Dhubri ZP constituted (January 2020) a Construction Committee for execution of SSL with an instruction to open Bank account to be operated jointly by the Chairman and Member Secretary<sup>6</sup> of the Construction Committee. The Junior Engineer (JE) of Dhubri ZP, being a technical member of the Committee, was responsible for installation of SSL at pinpoint locations.

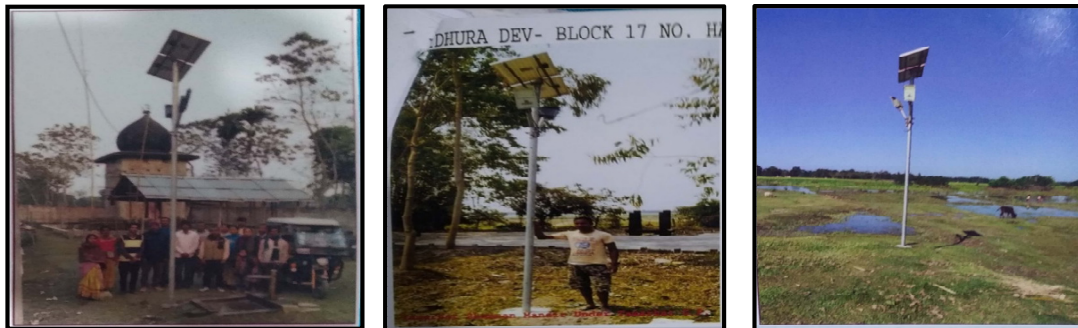
Scrutiny of records (May 2023) showed that an amount of ₹66.98 lakh was transferred by CEO, Dhubri ZP between January 2020 and October 2020 to the Construction Committee’s bank account from the main account of the ZP. However, in violation of the CEO’s instructions referred in the preceding paragraph, ₹65.66 lakh was further transferred in three instalments (during January 2020 to November 2020) to a bank account solely operated by JE, Dhubri ZP without involvement of Chairman and Member Secretary of the Committee.

Further, Audit observed that as per Monitoring Report submitted by JE (October 2020) to CEO, Dhubri ZP, 136 SSLs were stated to have been installed till October 2020. However, as per bills/vouchers, supply of materials was indicated for 138 SSLs costing ₹47.78 lakh and installation was shown for 131 SSLs at the cost ₹19.20 lakh. Against the supply of materials, the bank statement of JE indicated payment of ₹50.86 lakh to the Supplier between March 2020 and November 2020. However, the Measurement Book (MB) and pinpoint locations list approved by President and CEO, Dhubri ZP indicated installation of only 121 SSLs. Against those 121 SSLs, photographs of only 91 SSLs could be provided by CEO to audit for verification. Audit further observed

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<sup>6</sup> The CEO of Dhubri Zilla Parishad was the Member Secretary of the Construction Committee

that in all 91 nos. photographs submitted by JE, Dhubri ZP in November 2020 to CEO, Dhubri ZP, none of the SSL installed had barbed wire fencing with wooden/ RCC posts and signboards as envisaged in the scheme. This indicated that the barbed wire fencing with posts and signboards were not provided at the time of installation of the SSLs. The same would also be evident from the sampled photographs given below.



**Illustrative photographs of SSL installed without any fencing and signboards**

It is evident from above that though funds of ₹65.66 lakh for installation of 136 SSLs was transferred to bank account of JE, Dhubri ZP, a total expenditure of ₹70.06 lakh (₹19.20 lakh + ₹50.86 lakh) was shown to have been incurred for the purpose and against which, only 121 SSLs were installed as per MB and that too without fencing and signboards. Thus, there was no documentary/ photographic evidence in support of installation of 15 SSLs and providing signboards and fencing (with posts) around all 121 installed SSLs. Hence, a total expenditure of ₹11.79 lakh (₹7.43 lakh for 15 SSLs and ₹4.36 lakh for fencing and signboards for 121 SSLs) was doubtful.

In reply, the CEO, Dhubri ZP stated (September 2023) that the fencings erected were taken away by the locals soon after it was erected. The reply is not tenable as the photographs taken at the time of installation did not show any fencing and signboards. Further, no reply was furnished for short installation of SSLs.

The matter was reported to the Government in November 2023; however, the Government only forwarded (February 2024) the CEO's reply without verifying the facts stated by the CEO. Further, the CEO claimed (November 2023) that all photocopies of bills/ vouchers and relevant pages of the MBs had been submitted to Audit in September 2023. The statement may be viewed with the fact that all the observations on mismatch in installed number of SSLs and non-execution of fencing, *etc.* were based on the documents so furnished by the CEO. The same was reiterated by Audit in February 2024 with a reminder for submission of crucial records like approved list of SSLs, exact locations of remaining SSLs, geo-tagged photographs, *etc.* However, as of date (March 2024), the same were not furnished to Audit.

Thus, expenditure of ₹11.79 lakh shown to have incurred towards installation of SSLs with fencing and signboards was doubtful and suspected to have been misappropriated.

The Government should investigate the matter to ascertain the facts, fix accountability and initiate appropriate action.

## 2.2 Doubtful Expenditure

*The Executive Engineer, DRDA, Udalguri paid ₹4.29 lakh to the contractor for works not executed though recorded in Measurement Book, and thus the expenditure shown to have been incurred for the works was doubtful.*

In terms of Rule 293 of Assam Financial Rules, the Measurement Book (MB) must be maintained in Form No. 24 as an original record of actual measurements or counts of work done by daily labour or by the piece or by contract. The officer or subordinate granting such a certificate is held personally responsible for any over-payment which may result.

Principal Secretary, Bodoland Territorial Council, Kokrajhar accorded (August 2018) administrative approval for extension of District Rural Development Authority (DRDA) office building at third floor at the cost ₹20 lakh to be executed in two phases, viz., phase-I and phase-II, valuing ₹10 lakh each. As per the estimate, items of work included steel work, cement concrete work, shuttering & formwork, brick work, gypsum board ceiling in phase I, and steel work, plastering work, roofing, painting and internal electrification in phase II. Executive Engineer, Public Works Department (PWD), Roads and Buildings (R&B) Division, Udalguri awarded (August 2018) the work to lowest bidder.

Scrutiny of records (May 2023) of Director, District Rural Development Agency (DRDA), Udalguri showed that the contractor started the work in August 2018 and stated to have completed the work (phase-I and phase-II) in February 2019. Accordingly, full payment of ₹20 lakh was made to the contractor in February 2019.

However, Joint Physical Verification (May 2023) conducted at the site revealed that some items of work such as gypsum board ceiling (Phase-I) valued at ₹3.47 lakh, wall and ceiling painting (Phase-II) valued at ₹0.26 lakh and internal electrification (Phase-II) worth ₹0.56 lakh, totalling ₹4.29 lakh, were not executed by the contractor though recorded in the MB as executed which was also certified by Executive Engineer, DRDA, Udalguri. This is evident from the photographs as shown below.



Photographs showing incomplete state of works in the 3<sup>rd</sup> floor of the office building of the DRDA, Udalguri. Thus, payment of ₹4.29 lakh was made to the contractor without actual execution of works.

The matter was reported to the Government in November 2023; their reply has not been received (March 2024).

*The Government should fix responsibility against the officials and the amount of ₹4.29 lakh should be recovered from the contractor at the earliest.*

### 2.3 Loss of Revenue

*The Chief Executive Officer, Sonitpur Zilla Parishad leased out markets to the bidders other than the higher bidder without sufficient justifications in violation of the Assam Panchayat (Financial) Rules, 2002. No prior approval of the Government, though stipulated in the Act, was obtained. This led to loss of revenue of ₹43.45 lakh for Sonitpur Zilla Parishad.*

Sub-Rule 10 of Rule 47 of Assam Panchayat (Financial) Rules, 2002 stipulates that for leasing out markets, the Chief Executive Officer (CEO) of the Zilla Parishad (ZP) must settle bid value through sealed tenders and the highest bidder is to be allotted the market on lease. Acceptance of tender other than the highest bid shall require prior and formal approval of the Government.

Scrutiny (July 2019) of records of the CEO, Sonitpur ZP revealed that tenders were invited for leasing out seven markets under various Anchalik Panchayats (APs). The respective Standing Committee of Anchalik Panchayats (APs) prepared comparative statements based on the sealed bids received from intending bidders and forwarded the same to CEO, ZP, Sonitpur for finalisation. Audit observed that during the period 2016-17 to 2018-19, the CEO, Sonitpur ZP leased out markets to the bidders other than the highest bidder without justified reasons and without obtaining formal approval of the Government. This led to loss of revenue of ₹43.45 lakh as detailed in **Table 2.1**.

**Table 2.1: Details of leasing out of markets**

(₹ in lakh)				
Sl. No.	Name of Market and year of allotment	Value of the selected Bid	Value of Higher Bid which could have been accepted	Difference between bids
1	Khelmati Weekly Market (2016-17)	9.03 (4 <sup>th</sup> highest)	10.67	1.64
2	Borsola Weekly Market (2017-18).	7.75 (5 <sup>th</sup> highest)	9.97	2.22
3	Ketekibari Bi-weekly Market (2018-19)	7.32 (2 <sup>nd</sup> highest)	27.21	19.89
4	Tinisuti Weekly Market (2016-17)	5.66 (7 <sup>th</sup> highest)	8.86	3.20
5	Missamari Weekly Market (2016-17)	10.00 (12 <sup>th</sup> highest)	21.88	11.88
6	Tinisuti Weekly Market (2017-18)	5.10 (3 <sup>rd</sup> highest)	6.36	1.26
7	Toubhanga Weekly Market (2018-19)	5.15 (4 <sup>th</sup> highest)	8.51	3.36
	<b>Total</b>	<b>50.01</b>	<b>93.46</b>	<b>43.45</b>

The CEO, Sonitpur ZP attributed such decisions to various reasons as detailed below. The Department, however, without endorsing these comments of the CEO, merely forwarded (December 2023) the replies to Audit.

Sl. No.	Name of Market and year of allotment	Replies of the CEO which was forwarded by the Government	Reply not tenable due to following reasons
1	Khelmati Weekly Market (2016-17) (4 <sup>th</sup> highest bidder was selected)	The higher bidders failed to submit the required documents along with the Tenders.	It was observed by Audit that the selected bidders had also not submitted the mandatory documents, viz., land valuation certificate, non-incumbency certificate, land revenue clearance certificate or Khajana receipt, Income Tax Clearance certificate, affidavit for agreement for Government Rules, copy of Jamabandi. However, he was allotted the market by the Standing Committee (SC) stating that the bidder has submitted all the required documents.
2	Tinisuti Weekly Market (2016-17) (7 <sup>th</sup> highest bidder was selected)		It was observed that the bidder selected (2016-17) by the SC also did not fulfil six of the parameters mandatorily required as per Comparative Sheet (CS) but he was selected without any justified reason.
3	Tinisuti Weekly Market (2017-18) (3 <sup>rd</sup> highest bidder was selected)		Further, it was found that the 3 <sup>rd</sup> highest bidder (2017-18) also failed to furnish all the documents along with the tender similar to bidder 1 & 2.
4	Missamari Weekly Market (2016-17) (12 <sup>th</sup> highest bidder was selected)		It was found that the SC rejected the 5 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> and 10 <sup>th</sup> highest bidder on the ground that they had not submitted required documents along with the tender. However, as per the CS prepared by the SC, the said documents were marked as submitted with the tender. Thus, rejecting the bidders on the ground of non-submission of required documents was not justified.
5	Thobhanga Weekly Market (2018-19) (4 <sup>th</sup> highest bidder was selected)		It was found that all the bidders failed to fulfil the criteria mentioned in the CS submitted by the SC. Justification for non-selection of the highest eligible bidder was not found on records furnished by Commissioner, P&RD.
6	Borsola Weekly Market (5 <sup>th</sup> highest bidder was selected)	In case of Borsola Weekly Market the highest bidder had wrongly submitted Earnest Money Bank Draft, and 2 <sup>nd</sup> highest bidder failed to submit the required documents within the stipulated time and being the next valid bidder (5 <sup>th</sup> highest) was selected by the Committee to settle the market.	It was found that the 5 <sup>th</sup> highest bidder was selected ignoring the 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> highest bidder, without any justified reason, even though he did not submit most of the documents required to be submitted with the tender. Further, CS prepared by the SC was also not submitted along with the replies by the Commissioner, P&RD.
7	Ketekibari Bi-Weekly Market (2 <sup>nd</sup> highest bidder was selected)	In case of Ketekibari Bi-Weekly Market, the highest bidder had not submitted Earnest Money as such, his bid was rejected and the 2 <sup>nd</sup> valid bidder Shri Locan Bora had been selected for settlement of the aforesaid market.	Since the amount offered by the highest bidder was significantly higher than the next highest bidder, he should have been given an opportunity to submit the Earnest Money within a stipulated time. However, no communication in this regard was found on records.

Thus, the Standing Committee of Sonitpur Zilla Parishad accepted lower bids for leasing out markets rejecting higher bids on flimsy grounds. Moreover, in violation of the provisions of the Assam Panchayat (Financial) Rules, 2002 necessary approval of Government of Assam for selection of bidder other than the highest one, was also not obtained in any of the cases. This has resulted in loss of revenue to the extent of ₹43.45 lakh. The loss of revenue assumes significance considering the low augmentation of revenue by PRIs in the State.



# **CHAPTER-III**

## **An overview of Urban Local Bodies**



## CHAPTER- III

### DEPARTMENT OF HOUSING AND URBAN AFFAIRS

#### An Overview of the Urban Local Bodies

#### Functioning of the Urban Local Bodies in the State

##### 3.1 Introduction

Article 243 of the Constitution of India and the 74<sup>th</sup> Constitutional Amendment Act, 1992, envisioned creation of Local Self Government (LSG) for the urban population, wherein municipal institutions were conferred with constitutional status for carrying out governance functions. The amendment empowered Urban Local Bodies (ULBs) to function efficiently and effectively as autonomous entities, to deliver services for economic development and social justice, on 18 subjects (*Appendix-3.1*) listed in XII<sup>th</sup> Schedule of the Constitution of India.

The ULBs consist of Municipal Corporations (MCs) and Municipal Boards (MBs) and they function independently. The legislative framework for conduct of business of the ULBs are based on:

- The Guwahati Municipal Corporation Act, 1971 (GMC Act)
- The Assam Municipal Act, 1956 (amended up to 2012) (AM Act)
- The Assam Municipal Accounts Rules, 1961 (AMA Rules); and
- Government instructions, issued from time to time.

There were 104 ULBs in the State: one Municipal Corporation (MC) and 103 Municipal Boards (MBs) as on 31 March 2023. ULBs falling under the General Areas are governed according to the provisions of the AM Act, 1956, while areas listed under Sixth Schedule of the Constitution of India are governed by the rules framed by the respective Autonomous District Councils.

Statistics relating to the urban population of the State, as per Census 2011, are given in **Table 3.1**.

**Table 3.1: Important Statistics of the State (Urban areas)**

Sl. No.	Indicator	Unit	Value
1	Total Population of the State	Lakh	312
2	Population in urban areas	Lakh	44
3	Urban population	<i>Per cent</i>	14
4	Overall Population density	Persons / Sq.km.	398
5	Urban Sex Ratio	Per thousand	946
6	Urban Literacy Rate	<i>Per cent</i>	88.47

*Source: Census 2011 and Statistical Handbook, Assam 2022*

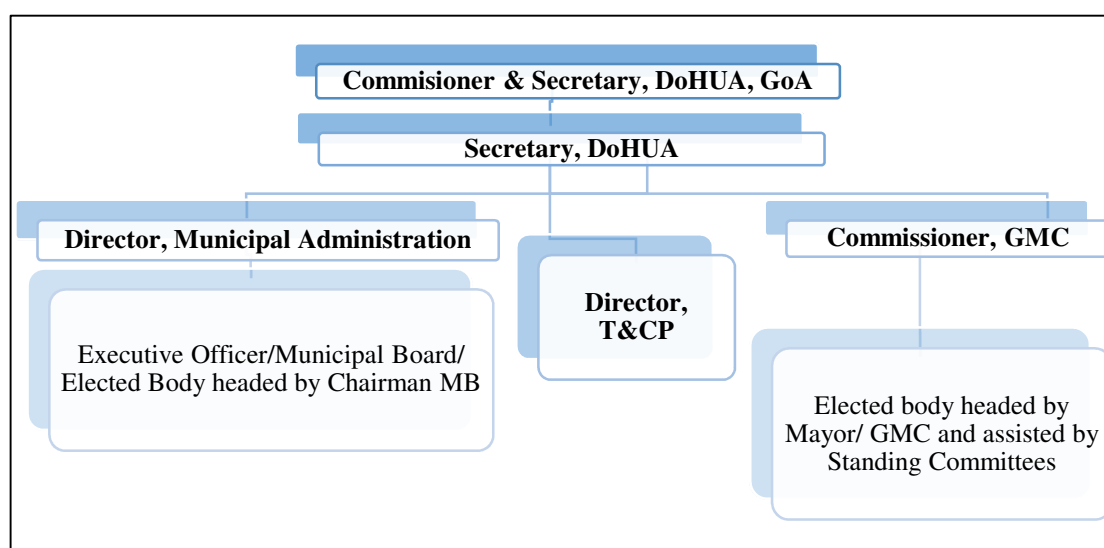
##### 3.2 Organisational setup in State Government and ULBs

Government of Assam merged (July 2021) the Guwahati Development Department (GDD) and Urban Development Department (UDD) and renamed as Department of Housing and Urban Affairs (DoHUA). The Commissioner and Secretary is the

administrative head of DoHUA, who looks after the matters relating to the administration of ULBs, allocation of funds as well as implementation of schemes at the State level. The Commissioner and Secretary is assisted by the Secretary, DoHUA, who is further assisted by Director, Municipal Administration (DMA) who functions as an interface between the State Government and ULBs. The Director, Town and Country Planning (T&CP) is responsible for Master Plan/ Development Plans/ Zonal Plans and enforcing master planning regulations in the urban areas other than Guwahati Metropolitan area. The Commissioner is the executive head of Guwahati Municipal Corporation (GMC). GMC is governed by an elected body headed by the Mayor and assisted by standing committees.

In case of ULBs of the 6<sup>th</sup> Scheduled Areas, the funds are routed through the Principal Secretary of the Autonomous District Councils to the Executive Officers of the Municipal Boards. Organisational set-up of ULBs is shown in **Chart 3.1**:

**Chart 3.1: Organisational structure of ULBs**



### 3.3 Functioning of ULBs

As per Section 53 of AM Act, 1956, it is mandatory for the State Government to appoint Executive Officers (EOs) in every MB and Town Committees (TC). Government of Assam directed (March 2015) that Indian Administrative Service (IAS)/ Assam Civil Service (ACS) officers be entrusted with additional charge of Executive Officers in the ULBs. Sub-section 2 under Section 53 of the AM Act mentions that all financial matters, particularly those relating to the implementation of schemes by the Municipalities funded by Government of India (GoI) or the State Government, shall invariably be routed through the concerned EOs. Further, GoA vide Notification No. UDD (M) 263/2017/13 dated 11 October 2018 converted and renamed all Town Committees as Municipal Boards.

#### 3.3.1 Staffing pattern of ULBs

ULBs did not have any approved staffing pattern resulting in variation of the staff strength of ULBs from unit to unit, depending on its size and paying capacity.

Appropriate manning of ULBs is important for efficient and effective management of funds received as well as their accounting in a proper manner considering the enhanced workload entrusted to ULBs under different programmes, schemes and projects.

The 6<sup>th</sup> ASFC recommended that staffing pattern for ULBs needs to be adopted urgently and Service Rules of employees of ULBs finalised without delay. The Commission also recommended that a statutory autonomous “Assam Municipal Service Commission” should be set up for streamlining the staffing pattern of ULBs, besides recruiting technical and suitable persons to Municipal Services.

The Department stated (October 2023) that a one-man Commission has been formed in March 2023 to study the staffing pattern of all Municipal Boards of Assam.

### 3.3.2 Status of devolution of Funds, Functions and Functionaries (3Fs)

The 74<sup>th</sup> Constitutional (Amendment) Act, 1992, empowers the ULBs to perform 18 functions enlisted in the XII<sup>th</sup> Schedule of the Constitution of India. The Central Finance Commissions (CFC) and the State Finance Commissions (SFC) have emphasised the need for complete transfer of the funds, functions and functionaries (3Fs) to the ULBs related to the above functions, for meaningful devolution.

However, out of the 18 functions, ULBs in Assam were solely responsible for three functions<sup>7</sup>; had no role in two functions<sup>8</sup> and in the remaining 13 functions<sup>9</sup>, the ULBs were mere implementing agencies with minimum role or were having overlapping jurisdiction with State departments and parastatal bodies.

In case of Guwahati Municipal Corporation, though the sanitation and SWM related works are done by GMC, sanitation works are also done by PHE Department, and water supply is provided by Guwahati Jal Board, GMDA, PHE Department and GMC in different parts of the city. Further, the licensing of shops/ restaurants and property tax, *etc.* are done by GMC.

As such, the 3Fs have still not been completely devolved to the ULBs.

<sup>7</sup> (i) Burials and burial grounds, crematoriums, cremation grounds, electric cremation grounds, electric crematoriums; (ii) Cattle pounds, prevention of cruelty to animals; (iii) Regulation of slaughter houses and tanneries.

<sup>8</sup> (i) Urban Planning including Town Planning and (ii) Fire Services.

<sup>9</sup> (i) Regulation of land use and construction of building (ii) Slum improvement and up gradation (iii) Roads and Bridges (iv) Urban Forestry, protection of the environment and promotion of ecological aspects (v) Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded, (vi) Vital Statistics including registration of Births and Deaths (vii) Planning for economic and social development (viii) Urban poverty alleviation (ix) Water Supply for domestic, industrial, and commercial purposes, (x) Public Health, Sanitation, Conservancy, Solid Waste Management, (xi) Provision of Urban amenities and facilities such as parks, gardens, playgrounds, (xii) Promotion of cultural, educational, and aesthetic aspects (xiii) Public amenities including street lighting, parking lots, bus stops and public conveniences.

### **3.4 Formation of various Committees**

#### **3.4.1 Committee for transfer of 3 Fs**

As per Section 53 (A) (2) of the AM Act, 1956, there shall be a committee comprising of Minister-in-Charge, UDD as the Chairman, senior-most Secretary, UDD as Vice-Chairman, DMA as Member Secretary and members from other departments to monitor the matter of early and smooth transfer of the 3Fs to Municipalities. The Committee was to meet from time to time to monitor the progress of transfer of 3Fs to the municipalities and to suggest the respective Departments for effective implementation of this Section.

However, no such committee has been formed to look after the matter of 3Fs (Funds, Functions & Functionaries) (September 2023).

#### **3.4.2 Standing Committees**

The AM Act, 1956 does not provide for the constitution of any standing committee in ULBs.

Though Section 20 of GMC Act, 1971 provides for constitution of Standing Committees<sup>10</sup> to deal respectively with Taxation and Finance, and Planning and Development (or Standing Finance Committee); Public Works; Public Health, conservancy and water supply; Assessment, Markets and Trades; and Appeals, no such Committee was formed by GMC.

#### **3.4.3 Metropolitan Planning Committees**

Article 243ZE of the Constitution of India states that “there shall be constituted in every Metropolitan area with a population of 10 lakh or more, a Metropolitan Planning Committee (MPC) to prepare a draft development plan for the Metropolitan Region as a whole” making it mandatory for the States to set up MPCs in the metropolitan areas of the country.

However, MPCs are yet to be constituted in the State (October 2023).

### **3.5 Audit arrangement**

#### **3.5.1 Primary Auditor of ULBs**

Director of Audit, Local Fund (DALF), Assam, established under the Assam Local Funds (Accounts & Audit) Act, 1930, is the Primary Auditor of all tiers of ULBs in the State. The Directorate is responsible for (i) carrying out audits of Local Funds with the help of 20 Circle Offices, each of which is headed by an Assistant Director at the District level; and (ii) facilitating submission of Audit Reports of the Administrative Departments. The audit is conducted in conformity with the Assam Audit Manual and other prescribed Government Rules and Amendments thereto declared by Government from time to time.

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<sup>10</sup> Each Standing Committee shall consist of five members elected by the Corporation from its own members other than the Mayor.

### 3.5.1.1 Audit coverage by DALF

The arrears in the audit of ULBs by the DALF during the period 2018-23, ranged between 41 and 74 *per cent*. The year-wise position of units planned to be audited and those actually audited, are detailed in **Table 3.2**.

**Table 3.2: Coverage of ULBs planned for audit by DALF**

Year	No. of Units Planned for Audit	No. of Units Audited	Shortfall ( <i>per cent</i> )
2018-19	74	44	30 (41)
2019-20	69	31	38 (55)
2020-21	69	37	32 (46)
2021-22	57	15	42 (74)
2022-23	57	31	26 (46)

Source: Information furnished by DALF, Assam

The above table shows that there was continuous shortfall in coverage of audit by DALF during 2018-19 to 2022-23 ranging from 41 *per cent* to 74 *per cent*.

The DALF stated (September 2023) that the shortfall in audit coverage was due to insufficient audit staff, engagement of audit personnel in specially entrusted accounts by the Government from time to time, election duty, *etc.*

### 3.5.2 Audit by Comptroller and Auditor General of India

The audit of ULBs is conducted by the CAG under Section 20(1) of the CAG's Duties, Powers and Conditions of Service (DPC) Act, 1971 as per the Technical Guidance and Support (TGS) arrangements entrusted by the State Government in May 2002 followed by acceptance of standard terms and conditions of TGS (May 2011) pursuant to the 13<sup>th</sup> FC recommendations. CAG being the secondary auditor for the Local Bodies in Assam, only selective audit of ULBs is done. As such, during April 2021 to March 2023, accounts of 15 ULBs were audited.

The status of discussion of the Audit Report by the Committee on Local Fund Accounts (CoLFA) is shown in **Table 1.5**.

### 3.5.3 Response to Audit Observations

Inspection Reports (IRs) were issued by Accountant General (Audit), Assam, to audited ULBs, with a copy to the State Government. ULBs were required to comply with the observations contained in the IRs, rectify the defects and omissions and report their compliance promptly after the issue of IRs. Important audit findings were processed for inclusion in the CAG's Audit Report on Local Bodies.

The details of outstanding paragraphs, in respect of ULBs (as of March 2023), are shown in **Table 3.3**.

**Table 3.3: Details of outstanding IRs and paragraphs in respect of ULBs**

Year	No. of IRs issued	No. of Paras	First reply furnished
2018-19	23	256	0
2019-20	15	132	0
2020-21	04	23	0
2021-22	04	118	0
2022-23	07	26	0
<b>Total</b>	<b>53</b>	<b>555</b>	<b>0</b>

Source: Progress Register of the Principal Accountant General (Audit), Assam

As of March 2023, settlement of 555 paragraphs were pending for want of replies from ULBs concerned indicating that compliance to the audit observation was not taken seriously. The Administrative Heads of the Departments concerned also did not take steps to ensure that the concerned officers of the ULBs took prompt and timely action in furnishing replies to IRs, thereby weakening the accountability mechanism of ULBs.

### **Accountability Mechanism of ULBs**

#### **3.6 Ombudsman**

As per guidelines issued by the Ministry of Finance on implementation of the recommendations of the 13<sup>th</sup> FC, the State Government was required to appoint an Ombudsman, to act as an independent quasi-judicial authority for LSGI at the State level, conduct investigations and enquiries in respect of any complaints of corruption and maladministration against the functionaries of Local Bodies (both elected members and officials) and recommend suitable action in accordance with the provisions of the Act.

There was no provision in the AM Act, 1956 and GMC Act, 1971 regarding setting up of an Ombudsman for ULBs. As a result, there was no scope for the Ombudsman to conduct investigation into aforesaid areas.

#### **3.7 Social Audit**

The primary objective of Social Audit (SA) is to bring the activities of ULBs under close surveillance, to enable records and documents of ULBs accessible to public as this would promote transparency and accountability in the day-to-day functioning of ULBs.

The State Finance Department issued guidelines (May 2009) for SA which, *inter alia*, included the following:

- Use of Ward Committees as important vehicles for spread of awareness about social audit.
- Appointment of nodal officer at the level of Ward Committee who would register complaints and fix the date for social auditing.
- Wide publication of the date of social audit through local newspapers, hand bills, leaflets and notice boards, *etc.* and
- Presentation by the representatives of ULBs of the relevant data on revenue and expenditure of their organisations including bills, vouchers, muster rolls, measurement books, copies of sanction orders and other books of accounts and papers necessary for the purpose of social auditing.

However, the State Government had not amended (October 2023) the relevant Municipal Act to include a statutory provision for social audit.

#### **3.8 Lokayukta**

The Assam Lokayukta and Upa-Lokayukta Act, 1985 (Assam Act XX of 1985) was introduced to improve the standard of Public Administration, through investigation of



complaints received against ministers, legislators and public functionaries, including those of Local Bodies.

The institution of the Lokayukta was headed by the Upa-Lokayukta since March 2001, as the post of Lokayukta had been lying vacant. The Upa-Lokayukta received 16 complaints during the years 2021-23, out of which none of the cases were related to ULBs.

The State Government needs to intensify efforts to educate the public about the existence and jurisdiction of the institution of the Lokayukta in the State.

### **3.9 Service Level Benchmark**

The Ministry of Urban Development (2009) has set Service Level Benchmarks (SLBs) at the national level for service provision in four key sectors – water supply, sewerage, Solid Waste Management (SWM) and storm water management. The objective of SLB is to monitor activities against the performance indicators to assess performance level in delivery of services in the ULBs.

The 13<sup>th</sup> and 14<sup>th</sup> FC also included SLB as one of the nine conditions to be met by State Governments to avail Performance Grants. Under 15<sup>th</sup> FC, funds were allotted to the urban local bodies for meeting service level benchmarks on drinking water supply, rainwater harvesting and water recycling, SWM and sanitation. GoA notified (March 2011) service standards for four Service Sectors to be achieved by the ULBs.

However, SLB for these basic services remained unachieved due to inadequacy/absence of provisions for core basic services in ULBs, as discussed in the Performance Audit Report on “Delivery of Core Basic Services by Urban Local Bodies” featured in Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors for the year ended 31 March 2018. The basic civic services of water supply and sanitation were not addressed adequately by the Government. Most alarming was the fact of absence of Sewage Treatment Plants (STPs) in the State leading to constant pollution of water bodies, which had serious implications on human health and aquatic life. There was absence of necessary systems for capturing data on basic services, preparation of performance report in line with the suggestion made in the Handbook on SLB, and implementation of corrective action plan for improving delivery of basic services. Regarding achievement of SLB in management of solid waste, none of the 10 test-checked ULBs could meet the SLB of 100 *per cent* segregation of waste at source and the performance of the majority of sampled ULBs was less than 50 *per cent* of the SLB, as discussed in paragraph 4.8.3 of this Report.

This indicated that ULBs as well as GoA failed to discharge their responsibility in relation to identification of gaps in service delivery of above mentioned four key sectors and taking corrective measures to mitigate the gaps and improve the service delivery mechanism.

### 3.10 Internal Audit and Internal Control System in ULBs

#### 3.10.1 Internal Audit

Internal Audit is an important instrument for examining and evaluating the level of compliance with rules and procedures, as envisaged in the relevant Acts and Financial/Accounting Rules, to provide independent assurance to management on the adequacy of the risk management and internal control framework in the ULBs.

The system of Internal Audit has not been introduced in the Municipalities in Assam, as there is no provision for Internal Audit in the relevant Municipal Acts and Rules.

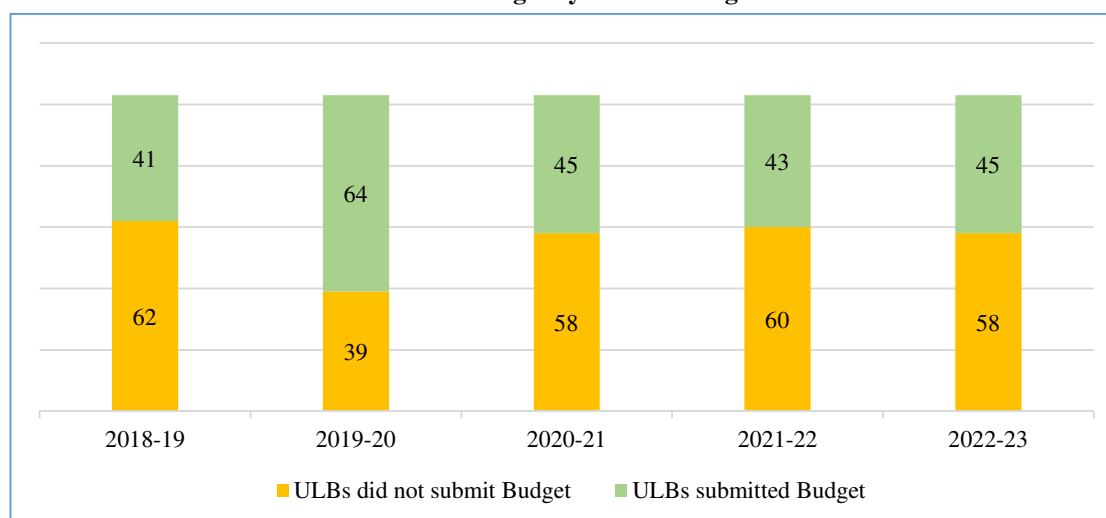
#### 3.10.2 Internal control mechanism in ULBs

The internal control mechanism is an integral function of an organisation, which helps to discharge its activities effectively to achieve its objectives. It is intended to provide reasonable assurance of proper enforcement of Acts, Rules and Bye-laws minimising the risk of errors and irregularities.

The following deficiencies were observed in the functioning of the ULBs, indicating lack of an effective internal control mechanism therein:

- There was shortfall in coverage of audit by the primary Auditor (DALF) ranged between 41 and 74 *per cent* against units planned for audit during 2018-2023.
- Delay in submission of Audit Report by DALF and no follow up action been taken by the concerned Department on the report submitted by the DALF.
- Huge numbers of Inspection Reports issued by the office of the Principal Accountant General (Audit) remained unattended by the ULBs as well as the concerned Department.
- The Assam Municipal Act does not have provision for appointment of Ombudsman to act as an independent quasi-judicial authority for LSGI at the State level.
- During the period 2018-19 to 2022-23, the ULBs did not submit their Budget proposal to DMA for approval. **Chart 3.2** depicts the position of submission of budget by the ULBs during 2018-19 to 2022-23:

**Chart 3.2:-Position of submission of budget by ULBs during the Year 2018-19 to 2022-23**



It can be seen from the chart above that out of 103 ULBs (excluding GMC), the numbers of ULBs ranging between 39 and 62 did not submit their budget to the concerned authority during the years 2018-19 to 2022-23. Submission of Budget proposals by ULBs during 2019-20 to 2022-23 decreased further from 64 in 2019-20 to 45 in 2022-23 indicating that rigour and discipline in the financial and budgeting process in the ULB ecosystem was yet to be firmly established.

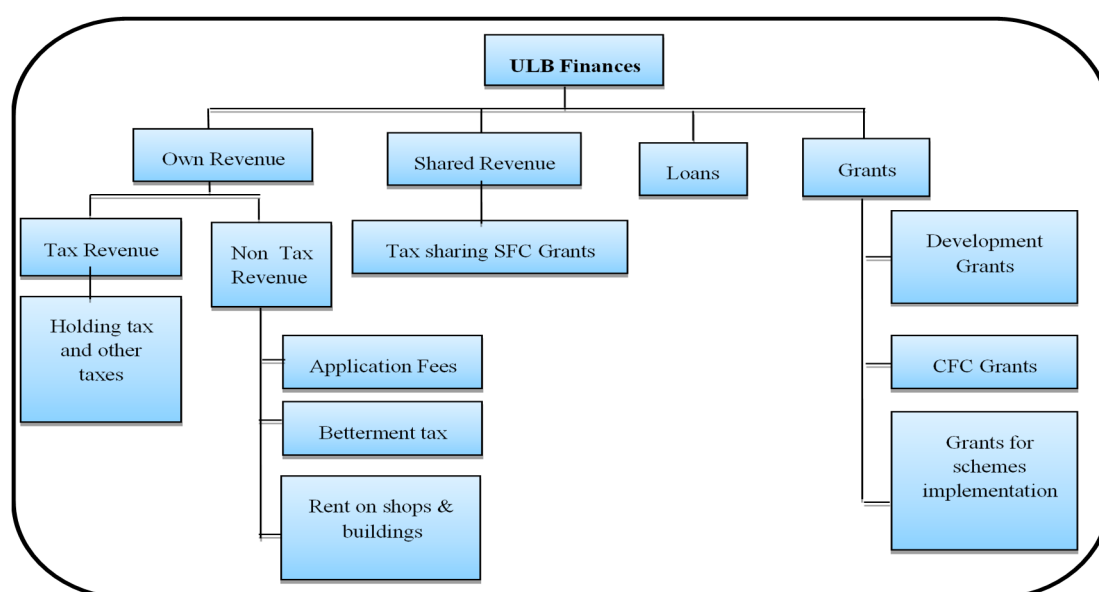
Though these shortcomings were pointed out to ULBs and the State Government in previous Audit Reports, no corrective action in this regard was available on records. The Government may initiate necessary action so that the ULBs prepare and submit their budgets regularly.

### 3.11 Financial Reporting Issues of ULBs

#### 3.11.1 Sources of Funds

The principal sources of revenue of ULBs are (i) collection from tax and non-tax sources allocated to them under the relevant Act; (ii) resource transfers from the State in the form of devolution of shared taxes and duties; (iii) Grants-in-Aid from GoA and (iv) Grants-in-Aid from GoI under various Centrally Sponsored Schemes (CSS) and under award of successive FCs. Besides, ULBs also obtain loans from financial institutions for implementation of various schemes relating to Urban Development, Water Supply and Roads, *etc.* The funds flow of ULBs is depicted in **Chart 3.3**:

**Chart 3.3: Fund flow of ULBs**



Under the provision of the Acts in force, all collections such as taxes on holdings, water tax, latrine tax, *etc.* are sources of tax revenue while building plan sanction fees, rents from shops and buildings, tolls and other fees and charges constituted the main sources of non-tax revenue.

The State Government releases Grants-in-Aid and loans to the ULBs to compensate their establishment expenses. ULBs also receive grants and assistance from the State and Central Governments for implementation of various schemes and projects.

### 3.11.2 Resource trends of ULBs and their composition

The trend of resources of ULBs during 2018-19 to 2022-23 are shown in **Table 3.4**.

**Table 3.4: Time-series data on resources of ULBs**

(₹ in crore)					
Source	2018-19	2019-20	2020-21	2021-22	2022-23
Own Revenues*	92.89	81.88	96.08	94.64	59.49
SFC transfers	68.94	56.72	0.00	54.26	159.18
CFC Grants	155.35	0.00	172.52	0.00	108.16
Interest for delayed payment of CFC Grants	0.00	0.00	0.13	0.00	0.00
<b>Total</b>	<b>317.18</b>	<b>138.60</b>	<b>268.73</b>	<b>148.90</b>	<b>326.83</b>

Source: Information furnished by Finance (Economic Affairs) Department, GoA, and DMA

\* Only GMC

Consolidated figure of actual receipts in respect of own revenue of all the ULBs in Assam was not available with DoHUA which indicated lack of monitoring by the Government on the resources of ULBs. Data of Own Revenue was available only for GMC. As can be seen from the Table above, Own Revenue of GMC had decreased considerably in 2022-23 indicating lack of initiative by GMC to augment their own sources of revenue and reduce their dependence on the Government Grants.

### 3.11.3 Poor utilisation of allotted funds

Audit noticed persistent savings under two Grants related to Urban Development during the years 2018-19 to 2022-23. The Budget provision has been significantly underutilised as detailed in **Table 3.5**.

**Table 3.5: Grants/Appropriations where budget utilisation was < 50 per cent**

		(₹ in crore)				
Grant Details		2018-19	2019-20	2020-21	2021-22	2022-23
34- Urban Development (Municipal Administration)	Appropriation	1,114.12	1,635.74	1,504.56	1,810.03	2,655.21
	Expenditure	410.96	517.77	358.32	672.92	1,236.92
	Savings	703.16	1,117.97	1,146.24	1,137.11	1,418.29
	<b>Utilisation of budget (%)</b>	<b>37</b>	<b>32</b>	<b>24</b>	<b>37</b>	<b>47</b>
73- Guwahati Development Department	Appropriation	1,524.84	993.81	1,130.15	1,156.49	1,140.91
	Expenditure	322.98	353.38	168.04	791.83	434.26
	Savings	1,201.86	640.43	962.11	364.66	706.65
	<b>Utilisation of budget (%)</b>	<b>21</b>	<b>36</b>	<b>15</b>	<b>68</b>	<b>38</b>

Source: Appropriation Accounts

It can be seen from the table above that the percentage of utilisation of budget provision in respect of Grant No. 34 and 73 was significantly low ranging between 15 and 68 per cent. This is indicative of systemic issues that warrants a critical review by the Government to enable initiation of expeditious corrective measures. Budget provision sought and obtained by the Departments far more than actual requirement and inability to utilise the same, deprives allocation of resources to priority sectors and leads to poor legislative control over public finances.

State Government needs to examine the reasons for poor utilisation of allocated funds in these Grants and take appropriate corrective action expeditiously.

### 3.11.4 Delay in Submission of Utilisation Certificates

Rule 517 (Appendix 16) of Assam Financial Rules provides that every grant made for a specified object is subject to the implied conditions such as (i) the grant shall be spent for the intended purpose, and within a reasonable time if no time limit has been fixed by the sanctioning authority, and (ii) any portion of the amount which is ultimately not required for expenditure for the purpose, shall be duly surrendered to the Government.

State Government authorities who have received conditional grants are required to furnish Utilisation Certificates (UCs) about the proper utilisation of the grants, to the Accountant General (A&E) within 12 months of the closure of the financial year in which grants have been released, unless specified otherwise.

Audit scrutiny revealed that 220 UCs for grants paid during 2003-04 to 2020-21 to the Guwahati Development Department amounting to ₹1,295.90 crore were outstanding. In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given.

### 3.12 Maintenance of records

Maintenance of records and registers is one of the important tools of internal control mechanism.

However, it was revealed that out of 15 ULBs audited during 2021-22 and 2022-23, three ULBs viz., North Lakhimpur MB, Jorhat MB and Tezpur MB did not maintain basic records such as Stock Register and Register of Receipts. In the absence of these records, actual receipt and utilisation of material could not be monitored by the ULBs. This could lead to mis-utilisation of material intended for implementation of the schemes. Further, non-maintenance of the Register of Receipt Book may lead to embezzlement/ misappropriation of fund.

### 3.13 Non-reconciliation of Cash and Bank Balances

Chapters 24 & 25 of the Assam Municipal Accounting Manual emphasise the need for reconciliation of Cash Book with Bank accounts.

During audit, it was seen that three ULBs<sup>11</sup> did not reconcile the balances in the Cash Book with the Bank Pass Book during 2021-22 and 2022-23 resulting in un-reconciled balances with differences ranging from ₹58.14 lakh to ₹2.23 crore.

As no reconciliation was done by the ULBs, differences in figures of Cash Book and Bank Pass book remained undetected until pointed out by Audit. In addition, it could also facilitate fraud and embezzlement of Government money.

*The Government should take steps to ensure that all the ULBs reconcile their Cash Book with their Bank accounts on monthly basis.*

<sup>11</sup> Bongaigaon MB, Hojai MB and Dabaka MB.

### **3.14 Property Tax Board**

As recommended under Paragraph 10.161 (vii) of the 13<sup>th</sup> FC, GoA constituted a Property Tax Board (PTB), in March 2011, comprising of (i) Principal Secretary, UDD as the Chairman, (ii) Commissioner & Secretary, GDD as Vice-Chairman, (iii) Director, Municipal Administration as Member Secretary (iv) Commissioner, GMC and (v) Director, Town & Country Planning as Members. The objective of the Committee was to assist all the Municipalities of the general areas of the State to put in place an independent and transparent procedure for assessing Property Tax. The Board was to monitor the matter of enumeration and assessment of all types of properties by the Urban Local Bodies as per the provision of the Assam Municipal Act, 1956. Accordingly, the Director of Municipal Administration (DMA) was required to depute the Chief Valuation Officer (CVO) and other Valuation officers (VO) in the field to monitor the rates of collection and time taken for collection in a particular year.

Though, two VO's were deputed by the DMA to monitor the rates of collection and time taken for collection in a particular year, no CVO was deputed for the purpose.

The DMA informed (May 2023) that works on assessment of Property Tax are going on in all ULBs of Assam and a "Reform Cell" has been constituted. Further, online property tax assessment and payment system as per the revised law of Assam Municipal Act, 1956 is being introduced.

### **3.15 Maintenance of Accounts**

Government of Assam (GoA) had accepted (March 2011) the National Municipal Accounting Manual (NMAM), which recommends introduction of the accrual-based double entry system and improved financial management in all ULBs. As per the NMAM, the ULBs are required to maintain their accounts on accrual basis and to prepare financial statements such as Balance Sheets, Income and Expenditure Statements, Statements of Cash flows and Receipts and Payment Accounts, at the end of each quarter.

The DMA stated (May 2023) that most of the ULBs are maintaining Cash Based Accounting System and only a few ULBs have introduced the Accrual Based Double Entry Accounting System. Further, it was stated that the accounts of ULBs were audited by Chartered Accountant (CA) till 2021-22. However, no data in this regard was produced to Audit.

### **3.16 Maintenance of database**

For ULBs, GoA released an amount of ₹ 1.65 crore (₹5.00 lakh each for 33 MBs) during 2012-13 out of 13<sup>th</sup> FC Grants for preparation of database software for tax and revenue management system.

The Director, Municipal Administration (DMA) stated (May 2023) that the Central Government had launched <https://www.cityfinance.in> portal to maintain the database of 15<sup>th</sup> FC Grants. However, no centralised database was developed (October 2023) by the

ULBs for Own revenue of ULBs and for other scheme funds and State Finance Commission funds released by the Government.

As maintenance of a database is a major tool for monitoring and analysing the functioning of Local Bodies, implementation of the programme on database of finances needs to be reviewed and effective steps are required to be taken to develop the database at the earliest.

Although these shortcomings were regularly pointed out to the Local Bodies, as well as to the State Government, through Inspection Reports and Audit Reports/Annual Technical Inspection Reports, no effective measures for improvement were noticed.





## **CHAPTER-IV**

# **Performance Audit of “Solid Waste Management in Urban Areas”**



## CHAPTER – IV

### DEPARTMENT OF HOUSING AND URBAN AFFAIRS

#### PERFORMANCE AUDIT

##### Solid Waste Management in Urban Areas

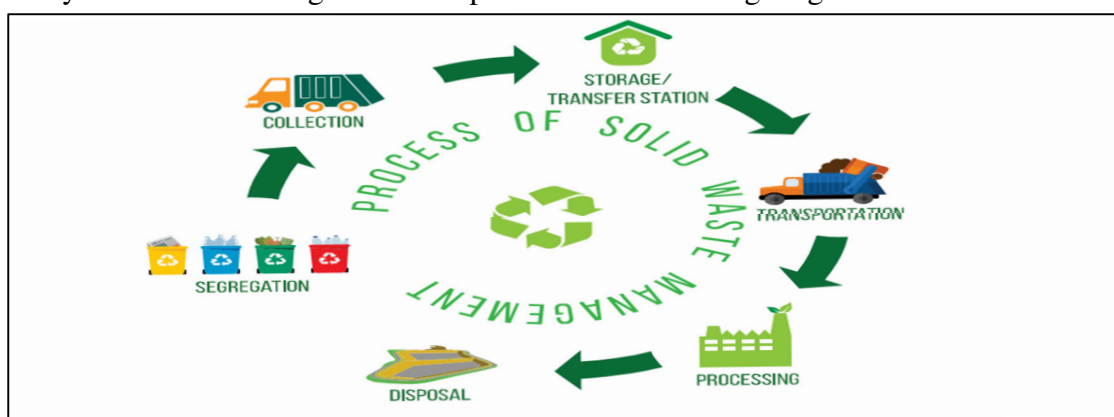
Assam is situated in north-eastern India, south of the eastern Himalayas along the Brahmaputra and Barak River valleys covering an area of 78,438 Sq. Km. The total population of Assam as per Census 2011 was 3,12,05,576. Out of total population in the State, 14 *per cent* of the population resides in urban areas. The rapid population growth, growing urbanisation and proliferation of slums are all contributing to the generation of an ever-increasing volume of solid waste, that has created health hazards and environmental problems.

A Performance Audit was conducted on ‘Solid Waste Management in Urban Areas’ covering 10 Urban Local Bodies (ULBs) - nine Municipal Boards (MBs) and the sole Municipal Corporation *viz.*, Guwahati Municipal Corporation (GMC) - for the period from 2018-19 to 2021-22.

#### 4.1 Introduction

Solid Waste<sup>12</sup> Management is a part of public health and sanitation since it poses a threat to the environment and human life, if not handled or disposed of properly.

Municipal Solid Waste Management (MSWM) refers to a systematic process that comprises waste segregation and storage at source, primary collection, secondary storage, transportation, secondary segregation, resource recovery, processing, treatment, and final disposal of solid waste. The objective of solid waste management is reducing and eliminating the adverse impact of waste materials on human health and the environment to support economic development and superior quality of life. The lifecycle of waste management is depicted in the following diagram.



Source: MSWM Manual, 2016

<sup>12</sup> "Solid waste" means and includes solid or semi-solid domestic waste, sanitary waste, commercial waste, institutional waste, catering and market waste and other non-residential wastes, street sweepings, silt removed or collected from the surface drains, treated bio-medical waste, *etc.* excluding industrial waste, bio-medical waste and e-waste, battery waste, radio-active waste generated in the area under the local authorities.

With the rapidly growing population, large quantities of solid waste are being generated in the urban areas and the urban local bodies (ULBs) are entrusted to manage this effectively, under a legal and regulatory framework. Solid Waste Management (SWM) is one of the 18 subjects devolved to the ULBs under 12<sup>th</sup> Schedule of the Constitution of India.

In Assam, there are 104 ULBs<sup>13</sup> (including seven non-functional) responsible for implementation of the Solid Waste Management (SWM) Rules, 2016. The Guwahati Municipal Corporation and 81 Municipal Boards in General Areas are under the administrative control of the Department of Housing and Urban Affairs (DoHUA), Government of Assam (GoA). The remaining 22 MBs are under the administrative control of three Autonomous District Councils<sup>14</sup> (ADCs). As of October 2022, solid waste generated in 96 ULBs, in respect of which information was provided by Mission Director, Swachh Bharat Mission, was 1,267.29 Tons Per Day (TPD), against which 1,107.16 TPD of solid waste was collected and 657.74 TPD of solid waste was processed.

To make all cities clean and garbage free, Swachh Bharat Mission (SBM)<sup>15</sup> was launched on 02 October 2014 with a major objective of ensuring 100 *per cent* scientific Solid Waste Management by 02 October 2019. The Mission was extended for a period of five years, from 01 October 2021 to 01 October 2026 as SBM Urban 2.0. Funding for implementation of Swachh Bharat Mission was provided by the Central Government for North-eastern States in the ratio of 90:10. The Performance Audit attempts to assess effectiveness and efficiency of ULBs under General Areas in managing the solid waste.

#### **4.1.1 Regulatory framework governing management of waste**

Government of India (GoI) has the power to take measures necessary for protecting and improving the quality of the environment, subject to the provisions of the Environment (Protection) Act, 1986. The Ministry of Environment, Forests and Climate Change (MoEFCC) notified (September 2000) the Municipal Solid Waste (Management and Handling) Rules, 2000 (MSW Rules, 2000). Subsequently, in 2016 MoEFCC revised MSW Rules and notified rules for management of biomedical waste, plastic waste, hazardous waste, construction and demolition waste and e-waste. Accordingly, Ministry of Urban Development, Government of India published (June 2016) a revised Municipal Solid Waste Manual, 2016 in alignment with the Solid Waste Management Rules, 2016. Part-II of Manual of MSWM 2016, GoI, provides guidance to Urban Local Bodies on the planning, design, implementation and monitoring of municipal solid waste management system. The Solid Waste Management Rules, 2016 superseded (April 2016) MSW Rules, 2000.

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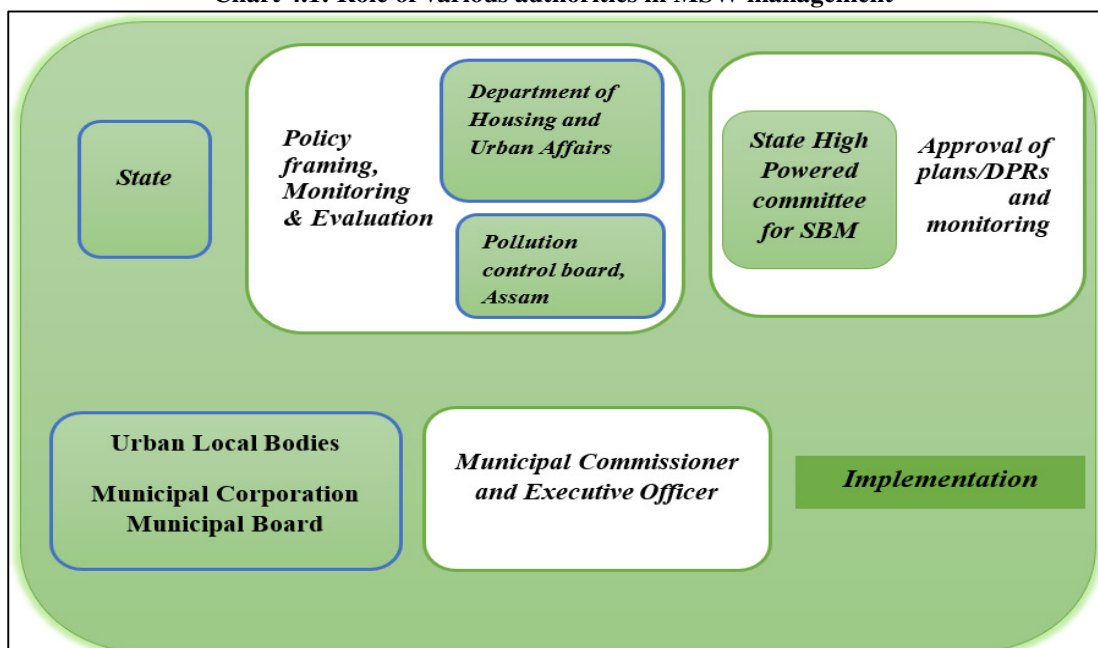
<sup>13</sup> Fund for SBM was released to 96 ULBs only.

<sup>14</sup> Karbi Anglong Autonomous Council (nine MBs), Dima Hasao Autonomous Council (four MBs), Bodoland Territorial Council (nine MBs)

<sup>15</sup> Centrally Sponsored Scheme

**Chart 4.1** depicts the role of various authorities in planning, execution and monitoring of MSW management.

**Chart 4.1: Role of various authorities in MSW management**

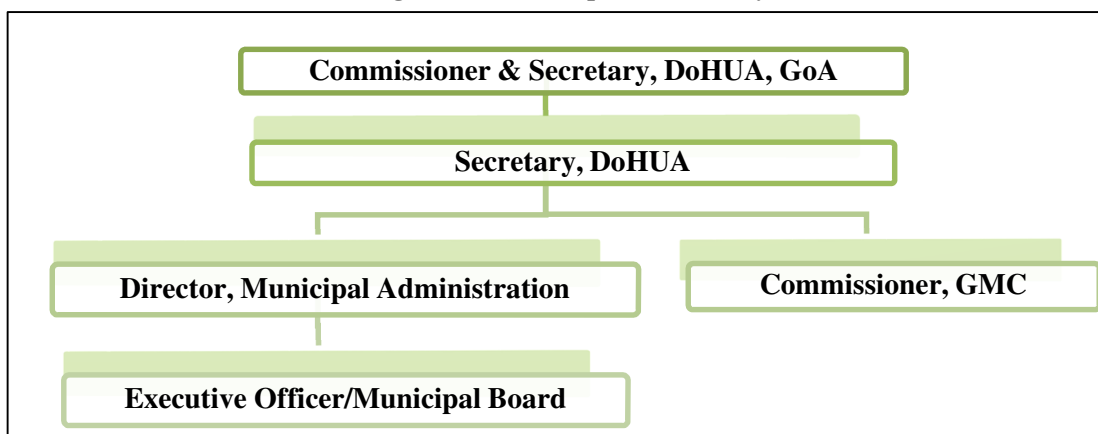


(Source: MSW Manual 2016 Para 1.4.1.4 Table 1.2 and SBM Guidelines)

## 4.2 Organogram

The organisational set up in ULBs in General Areas is presented in **Chart 4.2**:

**Chart 4.2: Organisational Setup and hierarchy of ULBs**



### 4.2.1 Role of urban local bodies in solid waste management

The 74<sup>th</sup> Constitutional Amendment Act, 1992 provides for the establishment of ULBs as the third tier of governance in urban areas. SWM was one of the 18 subjects devolved to the ULBs under Article 243(12<sup>th</sup> Schedule) of the Constitution of India. As per the Assam Municipal Act, 1956, solid waste management is an inherent subject to be implemented by ULBs. The 14<sup>th</sup> and 15<sup>th</sup> Central Finance Commissions (CFC) identified SWM as one of the core sectors besides water supply, sewerage and storm water drainage to be implemented by the ULBs.

### 4.3 Audit Objectives

The audit objectives were to examine whether:

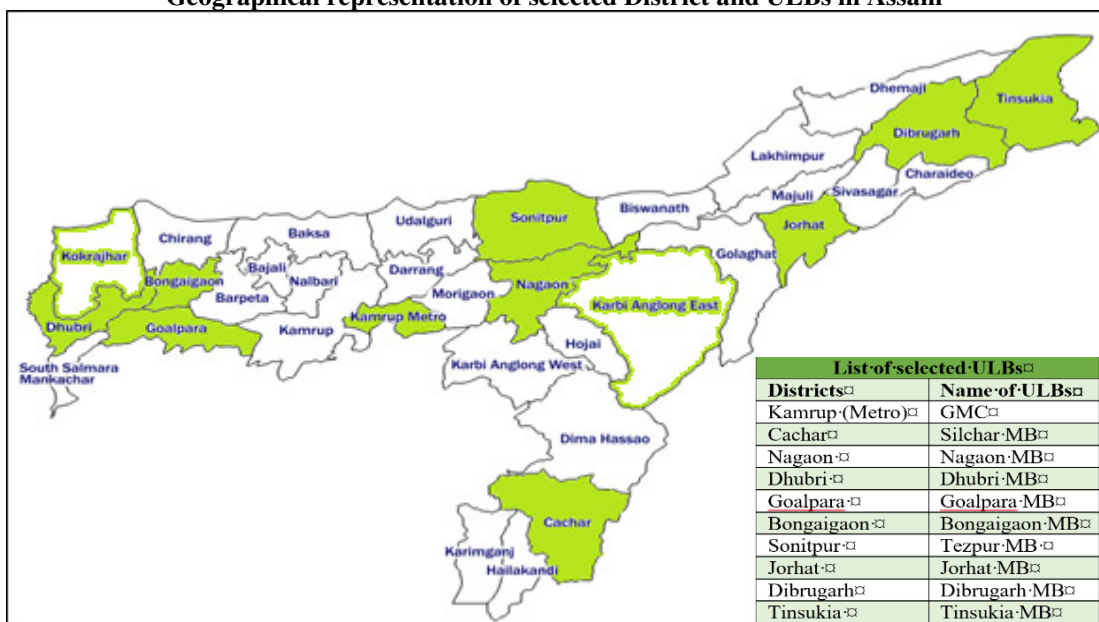
1. Strategy and planning of solid waste management in Urban Areas is commensurate with the waste generated and concurrent with the prevailing legal framework.
2. Municipal tasks associated with solid waste management were effective, efficient, and economical.
3. Planning, Operation and Maintenance of solid waste management projects in ULBs was effective, efficient and financially sustainable.
4. Monitoring and Evaluation of solid waste management system were adequate and effective.

### 4.4 Scope and Methodology of Audit

Performance Audit was conducted from September 2022 to March 2023 and covered a period of four years from 2018-19 to 2021-22. Out of 82 ULBs in General areas of Assam, nine ULBs were selected by using simple random sampling method based on Census 2011 under nine districts besides, Guwahati Municipal Corporation being the sole municipal corporation in Assam, as detailed in **Appendix-4.1**. An entry conference was held (September 2022) with the representatives of the DoHUA, Assam, Finance Department, Pollution Control Board, Assam (PCBA), wherein scope and methodology of audit was discussed. Draft Performance Audit Report was issued to the Government on 25 July 2023. An Exit Conference was held on 11 October 2023 and replies of the department have been suitably incorporated in the report.

Audit examined records related to SWM in the office of the Director of Municipal Administration (DMA), Assam, the Mission Director (MD), SBM, Assam and the records of 10 selected ULBs including joint physical inspection of Solid Waste Management sites (SWM plants, dumpsites, *etc.*) along with the officials of ULBs to assess the level of services provided by ULBs.

The scope of audit covers the period from 2018-19 to 2021-22 and includes management of solid waste, construction and demolition waste, creation and development of infrastructure for collection, storage, segregation, transportation, processing, and scientific disposal of solid waste, Information, Education and Communication (IEC) activities and informal sector/waste-pickers in SWM system. Location of the 10 selected districts and ULBs are shown in the following map:

**Geographical representation of selected District and ULBs in Assam****4.5 Audit Criteria**

The following were the audit criteria:

1. Assam Municipal (Amendment) Act, 2017
2. Guwahati Municipal Corporation (GMC) Act, 2019 as amended
3. Solid Waste Management Rules, 2016
4. Manual of Municipal Solid Waste Management (MSWM), 2016 (MoHUA)
5. Construction and Demolition Waste Management Rules, 2016
6. Handbook of Service Level Benchmarking (SLB) published by Ministry of Urban Development, Government of India
7. Swachh Bharat Mission (Urban 2.0) Guidelines, GoI
8. Assam Financial Rules

**4.6 Planning and Institutional mechanism for solid waste management****4.6.1 State Policy and strategy for SWM not yet approved by GoA**

As per Rule 11 of SWM Rules, 2016, the Secretary, Urban Development Department in the State or Director of Municipal Administration shall prepare State Policy and strategy for solid waste management in consultation with stakeholders including representative of waste pickers, *etc.* in the field of waste management within one year from the date of notification (April 2016). The SWM Rules, 2016 also prescribes that while preparing State Policy and strategy on solid waste management, emphasis should be given on waste reduction, reuse, recycling, recovery and optimum utilisation of various components of solid waste to ensure minimisation of waste going to the landfill and minimise impact of solid waste on human health and environment.

Audit noticed that the DMA, Assam prepared and submitted to GoA (August 2019), the “Draft Assam Urban Solid Waste Management Policy, 2018” after a delay of two years. The draft Policy envisioned to equip the cities of Assam with efficient, environmentally

friendly and sustainable waste management to achieve the service level benchmark and to finally achieve 'zero' waste cities in Assam. The draft Policy emphasised strategic interventions in six areas viz., (i) Door to door collection of waste generated; (ii) Waste minimisation and promotion of recycling of waste; (iii) Engaging stakeholders in implementation; (iv) Processing, Treatment and Disposal of Waste; (v) Strengthening the capacities of the ULBs; (vi) State Level Institutional arrangements & programme support.

However, the draft Policy was yet to be approved by GoA till March 2023 even after three years of submission by DMA and six years after notification of the SWM Rules, 2016. In the absence of State Policy, a systematic approach and well directed concerted efforts for implementation of strategic interventions viz., segregation at source, monitoring of transportation, establishment and operation waste processing plant, setting up of sanitary landfills, *etc.* were not found in the 10 selected ULBs. Lack of a policy would result in a lack of a focused effort and direction in the overall process.

Thus, Government of Assam needs to take steps to roll out the proposed State Policy and Strategy for SWM to implement the strategic interventions as envisaged therein in all the Urban Local Bodies in a time bound manner.

Accepting the audit observation, Commissioner & Secretary, Housing and Urban Development Department (CS, DoHUA), Assam stated (October 2023) that the policy is expected to come into force within next six months as the Government has engaged a consultant Agency for the purpose.

#### **4.6.2 Municipal solid waste management Plan by ULBs**

##### **4.6.2.1 Preparation of short term and long-term plan**

MSWM Manual (Part-II), 2016 (Section 1.4.5 and 1.4.6) emphasised the need for ULBs to prepare a detailed SWM plan, short term (1-5 years) and long-term (20-25 years) action plans. Each short-term plan should be reviewed by the ULBs every 2-3 years to ensure greater success of implementing all plan activities covering aspects of institutional strengthening, community mobilisation, waste minimisation initiatives, waste collection and transportation, treatment and disposal and financial outlay.

Audit observed that none of the ULBs in the State had prepared long-term plans as on March 2022, even after six years since the issue of the SWM Management Manual (Part-II), 2016. DPRs were prepared as part of a short plan for SWM in all ULBs as of March 2022.

Thus, non-preparation of long-term plans for SWM activities deprived the ULBs of the benefits of systematic interventions in short term for achievement of well-defined long-term goals.

In reply, the Department stated (October 2023) that SWM DPRs were prepared as part of a long-term plan for successful implementation of solid wastes. As a part of the short-term plan IEC and capacity building activities are also conducted.



Audit, however, noticed that the DPRs were only part of short-term plan as envisaged in Paragraph 5 of MSW Manual 2016 and no long-term plan for 20-25 years with goals to be achieved through short term for five years had been prepared by the ULBs. Moreover, the DPRs for short term plan also did not have specific projects to be taken up with timelines as required in the Manual.

#### 4.6.2.2 Non-preparation of contingency plans

MSWM Manuals, 2016 (Section 5.4) stipulated that ULBs should prepare contingency plans for appropriate storage of waste and to tide over situations of non-performance of processing/treatment/disposal facilities. Further, Section 4.5.1.9 of the said Manual stipulates that ULBs should prepare contingency plans to control surface water impacts resulting from the production of leachate<sup>16</sup> in a quantity greater than expected or with a quality worse than expected.

Audit observed that no such contingency plan was prepared by any of the ULBs in the State during 2018-19 to 2021-22 which was essential for effective containment control.

While accepting the audit observations, the Government stated (October 2023) that the ULBs have been instructed (October 2023) to prepare the contingency plan.

### 4.7 Fund Position

#### 4.7.1 Fund Position for SWM

The DoHUA, GoA and MD, SBM, Assam received funds<sup>17</sup> under the 15<sup>th</sup> CFC Grants and Swachh Bharat Mission-Urban (SBM-U) for implementing SWM activities by ULBs in the State. Besides, the Director, Municipal Administration (DMA), Assam undertakes SWM activities from the State Own Priority Development (SOPD) scheme of GoA for the ULBs. Fifth and Sixth Assam State Finance Commission (ASFC) also recommended funds for SWM activities.

The fund position for SWM activities in the State during the period from 2018-19 to 2021-22 was as shown in **Table 4.1**.

**Table 4.1: Fund position of the State for SWM as on 31 March 2022**

(₹ in crore)								
Sl. No.	Source of fund	Year	Opening Balance	Recommended /Budget allocation in bracket	Funds received by DoHUA/ MD, SBM/ DMA	Expenditure incurred at Department/ Directorate level	Fund released to ULBs	Closing Balance
1.	5 <sup>th</sup> & 6 <sup>th</sup> ASFC recommendation <sup>18</sup>	2018-19	-	59.50/( 2.50)	0	0	0	0
		2019-20		59.50/(51.00)	0	0	0	0
		2020-21		49.38/( 4.50)	0	0	0	0
		2021-22		49.38/( 1.60)	0	0	0	0

<sup>16</sup> Leachate -The liquid that seeps through solid waste or other medium and has extracts of dissolved or suspended material from it.

<sup>17</sup> For SWM activities under 5<sup>th</sup> and 6<sup>th</sup> ASFC for period 2018-19 to 2021-22, no fund was released to the ULBs, though ₹217.76 crore was recommended by ASFC and ₹59.60 crore was allocated in the state budget by GoA.

<sup>18</sup> 5<sup>th</sup> and 6<sup>th</sup> ASFC recommended ₹217.76 crore for SWM activities during period 2018-19 to 2021-22.

Sl. No.	Source of fund	Year	Opening Balance	Recommended /Budget allocation in bracket	Funds received by DoHUA/ MD, SBM/ DMA	Expenditure incurred at Department/ Directorate level	Fund released to ULBs	Closing Balance
	Sub-Total (1)			217.76/(59.60)	0	0	0	0
2.	15 <sup>th</sup> FC (2 Instalments) <sup>19</sup>	2020-21	-		172.52	-	172.52	0
	Sub-Total (2)				172.52	-	172.52	0
3.	SBM-U (Central and State Share)	2018-19	9.56		80.95	-	38.22	52.29
		2019-20	52.29		38.38	-	5.11	85.56
		2020-21	85.56		0	5.67	25.33	54.56
		2021-22	54.56		6.33	13.77	0	47.12
	Sub-Total (3)				135.22	19.43	68.66	47.12
4.	SOPD fund	2020-21	-		32.11	32.11	-	0
		2021-22	-		10.91	10.91	-	0
	Sub-Total (4)				43.02	43.02	-	0
	<b>Grand Total (1+2+3+4)</b>			<b>217.76/(59.60)</b>	<b>350.76</b>	<b>62.46</b>	<b>241.18</b>	<b>47.12</b>

(Source: Information furnished by Director of Municipal Administration, Assam, and Mission Director, SBM, Assam.)

During the audit period 2018-22, a total amount of ₹350.76 crore was allocated for SWM activities in the ULBs in General areas of Assam. Out of ₹350.76 crore, a total amount of ₹241.18 crore had been released to the ULBs and an amount of ₹62.46 crore was utilised at the Directorate level (₹19.43 crore by MD, SBM and ₹43.02 crore by DMA), leaving an overall balance of ₹47.12 crore remaining unutilised as on 31 March 2022 in respect of SBM-U funds.

Audit noticed from above that under Fifth and Sixth ASFC a total of ₹217.76 crore was recommended, against which a total of ₹59.60 crore was allocated in the State Budget during the period from 2018-19 to 2021-22 for SWM activities. However, no fund was released to the ULBs by DoHUA during the audit period.

Out of the total ₹241.18 crore released to the ULBs, ₹172.52 crore pertained to the tied Grants received under the 15<sup>th</sup> FC during 2020-21. The remaining ₹68.66 crore was released under the SBM-U fund during 2018-19 to 2021-22 from a total corpus of ₹135.22 crore (GoI share ₹82.52 crore and State Share ₹52.70 crore) available with the MD, SBM Assam during the period. Further, an amount of ₹19.43 crore was utilised directly by MD, SBM for procurement of Organic Waste Convertors (OWCs), Tricycle, Cesspool and personal protective equipment for sanitary workers for distribution to the ULBs, leaving a balance of ₹47.12 crore.

On being enquired about unspent balances, MD, SBM stated (August 2022) that out of the ₹47.12 crore, ₹40 crore was kept for committed liabilities towards procurement of vehicles, equipment and machinery for the ULBs.

However, audit noticed that though the sanction for procurement was received by MD, SBM in July 2020, procurement process had not been completed despite a lapse of more

<sup>19</sup> Only 15<sup>th</sup> FC grants is shown above as no specific amount was earmarked for SWM out of total fund of ₹301.77 crore released to ULBs under 14<sup>th</sup> FC grants.

than two years till date of audit (August 2022), depriving the ULBs of the earmarked funds for SWM activities.

Accepting the audit observations, the Department stated (October 2023) that due to delay in tendering process, sanctioned fund could not be utilised in time for procurement of equipment for ULBs.

#### 4.7.2 Centralised procurement -State Level

##### 4.7.2.1 Procurement of vehicles/Trippers

DMA proposed for ₹45.93 crore under State Own Priority Development Scheme (SOPD) fund for procurement of 230 Nos. of Tipper Trucks and Skid Steer Loaders to be utilised for SWM activities in 76 ULBs during 2020-22. However, an amount of ₹43.03 crore was received and utilised by DMA towards procurement of the above vehicles and the balance ₹2.91 crore was yet to be received from GoA as of March 2022.

The position of the receipt and distribution of procured vehicles in 10 selected ULBs is as given in **Table 4.2**.

**Table 4.2: Details of vehicles delivered by DMA utilising SOPD fund in 10 selected ULBs**

(₹ in lakh)						
Sl. No.	Name of ULB	Skid Steer Loader	Amount (₹) (1)	Tipper	Amount (₹) (2)	Total [(1) + (2)]
1.	GMC	-	-	-	-	-
2.	Dhubri MB	3	72.77	3	47.29	120.06
3.	Silchar MB	3	72.77	3	47.29	120.06
4.	Bongaigaon MB	3	72.77	3	47.29	120.06
5.	Dibrugarh MB	3	72.77	3	47.29	120.06
6.	Tezpur MB	3	72.77	3	47.29	120.06
7.	Nagaon MB	3	72.77	3	47.29	120.06
8.	Tinsukia MB	3	72.77	3	47.29	120.06
9.	Goalpara MB	2	48.51	2	31.53	80.04
10.	Jorhat MB	3	72.77	3	47.29	120.06
	<b>Total</b>	<b>26</b>	<b>630.67</b>	<b>26</b>	<b>409.85</b>	<b>1,040.52</b>

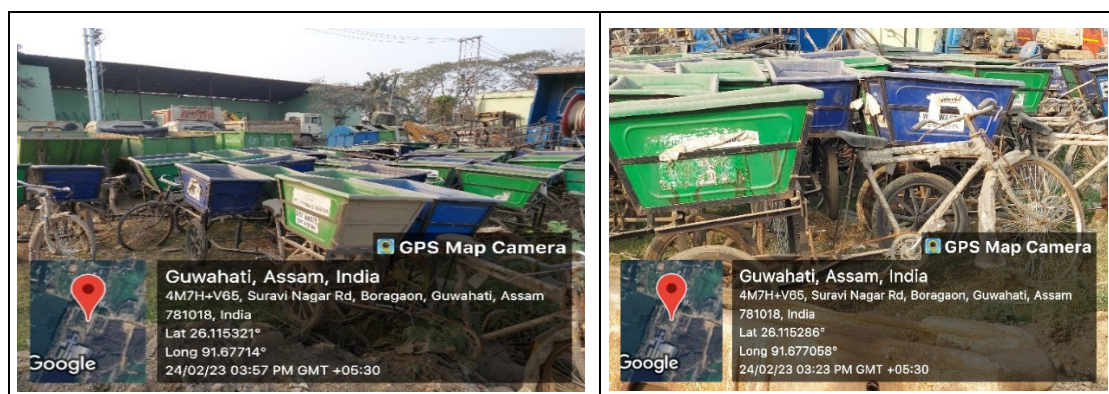
(Source: Details furnished by DMA, Assam)

It was further noticed that all the vehicles supplied to the sampled ULBs were being utilised as of March 2022.

##### 4.7.2.2 Wasteful expenditure

During 2021-22, MD, SBM (U) incurred an expenditure of ₹3.64 crore centrally for procurement of 1,445 Tricycles valuing ₹3.64 crore. MD, SBM issued the Tricycles to various ULBs in December 2021.

Audit, however, noticed that out of 170 Tricycles issued to GMC, 45 Tricycles valuing ₹11.34 lakh were lying idle and in unused condition at dumpsite for almost two years since December 2021. Since these Tricycles were lying unused for such a long time, the usability could not be ascertained as these were left abandoned at dumpsite as can be seen in the following photographs.



**Tricycles with two bins lying idle and abandoned at dumpsite, Boregaon**

Thus, it is evident that GMC did not take any action to utilise the Tricycles for the purpose for which it was purchased, nor any action initiated to distribute to other ULBs for utilisation. The amount of ₹ 11.34 lakh incurred for 45 Tricycles remained wasteful.

#### **4.7.2.3 Violation of contractual terms and conditions**

The MD, SBM issued (January 2020) supply order of ₹2.47 crore to a firm for supply of 15 Organic Waste Convertors (OWCs) to be distributed amongst eight ULBs<sup>20</sup>. As per the contract agreement, the supplier submitted a Performance Bank Guarantee amounting to ₹11.01 lakh which was to be released only after one year of successful commissioning of the OWCs in eight ULBs. The MD, SBM released ₹2.47 crore against installation and commissioning of 15 OWCs between September 2020 and February 2021.

Audit, however, noticed that three OWCs supplied to Tinsukia MB were neither installed nor commissioned till the date of audit (February 2023). It was noticed that in violation of the contract agreement, the Performance Guarantee of ₹11.01 lakh was released to the supplier in February 2022 based on the Field Service Report signed by the officials of the ULB.

Thus, due to failure to ensure installation and commissioning of OWCs before release of Performance Guarantee to the supplier as required under the contract agreement, the machines were lying idle in the ULB for more than two years since the date of delivery (May 2020).

#### **4.7.3 Receipts and Expenditure of funds in selected ULBs**

The details of funds received (15<sup>th</sup> FC grant and SBM fund), and expenditure incurred for Solid Waste Management by 10 selected ULBs during 2018-19 to 2021-22 was as shown in **Table 4.3**.

<sup>20</sup> Palashbari MB, Bongaon MB, Kokrajhar MB, Morigaon MB, Tezpur MB, Silchar MB, Tinsukia MB and Hailakandi MB.

**Table 4.3: Receipts and expenditure for SWM in respect of 10 selected ULBs as on March 2022**

(₹ in crore)

Name of ULB	Source of Fund	2018-19		2019-20		2020-21		2021-22		Total		Grand Total		Unspent Balance
		R	E	R	E	R	E	R	E	R	E	R	E	
GMC	15 <sup>th</sup> FC	0	0	0	0	13.36	6.54	23.48	4.62	36.84	11.16	45.02	16.19	28.83
	SBM	4.01	3.98	0	0	4.17	1.05	0	0	8.18	5.03		(36%)	(64%)
Dhubri MB	15 <sup>th</sup> FC	0	0	0	0	2.83	2.32	5.92	0.36	8.75	2.68	11.63	4.57	7.06
	SBM	1.6	1.37	0.59	0.51	0.69	0.01	0	0	2.88	1.89		(39%)	(61%)
Silchar MB	15 <sup>th</sup> FC	0	0	0	0	6.9	0	13.8	0	20.7	0	29.69	8.54	21.15
	SBM	4.76	4.76	2.04	2.04	1.74	1.74	0.45	0	8.99	8.54		(29%)	(71%)
Bongaigaon MB	15 <sup>th</sup> FC	0	0	0	0	0	0	3.64	0.96	3.64	0.96	5.67	2.99	2.68
	SBM	1.53	1.53	0.16	0.16	0.34	0.34	0	0	2.03	2.03		(53%)	(47%)
Dibrugarh MB	15 <sup>th</sup> FC	0	0	0	0	0	0	0	0	0	0	2.17	1.22	0.95
	SBM	0.96	0.19	1.01	0.9	0.13	0.05	0.07	0.07	2.17	1.21		(56%)	(44%)
Tezpur MB	15 <sup>th</sup> FC	0	0	0	0	0	0	1.39	0	1.39	0	2.89	0.88	2.01
	SBM	0.89	0.29	0.01	0.34	0.6	0.17	0	0.08	1.5	0.88		(30%)	(70%)
Nagaon MB	15 <sup>th</sup> FC	0	0	0	0	0	0	4.34	0	4.34	0	7.72	1.55	6.17
	SBM	1.79	0	0.01	0.49	1.58	0.04	0	1.01	3.38	1.54		(20%)	(80%)
Tinsukia MB	15 <sup>th</sup> FC	0	0	0	0	4.57	0	9.55	3.72	14.12	3.72	17.6	3.48	14.12
	SBM	0.44	0.09	2.21	1.33	0.83	0.43	0	1.62	3.48	3.47		(20%)	(80%)
Goalpara MB	15 <sup>th</sup> FC	0	0	0	0	0	0	0	0	0	0	1.41	0.81	0.6
	SBM	0.88	0.06	0.01	0	0.52	0.63	0	0.12	1.41	0.81		(57%)	(43%)
Jorhat MB	15 <sup>th</sup> FC	0	0	0	0	5.8	0	12.21	0	18.01	0	20.34	1.24	19.1
	SBM	1.2	0.01	0.11	0.96	1.02	0.25	0	0.01	2.33	1.23		(6%)	(94%)
<b>Grand Total</b>		<b>18.06</b>	<b>12.28</b>	<b>6.15</b>	<b>6.73</b>	<b>45.08</b>	<b>13.57</b>	<b>74.85</b>	<b>12.57</b>	<b>144.14</b>	<b>45.15</b>	<b>144.14</b>	<b>41.47</b>	<b>102.67</b>
													(29%)	(71%)

(Source: Information furnished by the selected ULBs)

R=Receipts, E=Expenditure

It can be seen from the above table that during the four-year period 2018-19 to 2021-22, against the total actual receipt of ₹ 144.14 crore, an amount of ₹ 41.47 crore (29 per cent) was utilised by the 10 selected ULBs. As much as 71 per cent of the available fund (₹ 102.67 crore) was yet to be utilised by these selected ULBs as on March 2022 for various SWM activities such as procurement of equipment and vehicles for waste management, setting up of Waste Processing Facilities, Leachate Treatment Facilities, setting up of Sanitary Landfills, public awareness programs, etc. Wide variation was also noticed, between 6 and 57 per cent, in the utilisation of funds among the 10 sampled ULBs during the four-year period 2018-19 to 2021-22.

The utilisation of funds was significantly poor in seven ULBs (six MBs and GMC) constituting six to 39 per cent of the available funds. Among the six MBs, the worst position was in the Jorhat MB i.e., only six per cent (₹ 1.24 crore out of ₹ 20.34 crore), followed by Nagaon MB and Tinsukia MB (20 per cent), Silchar MB (29 per cent), Tezpur MB (30 per cent) and Dhubri MB (39 per cent).

Further, GMC, sole Municipal Corporation in the State, could utilise only 36 per cent (₹ 16.19 crore out of ₹ 45.03 crore) of the SWM fund during the same period. In fact, ₹ 98.44 crore, which constituted 96 per cent of the total unspent balance of ₹ 102.67 crore pertained to these seven sampled ULBs. In the remaining three ULBs<sup>21</sup>, the utilisation of funds was slightly better constituting 53 to 57 per cent of the funds available with the respective ULBs.

<sup>21</sup> Bongaigaon MB, Dibrugarh MB and Goalpara MB.



Thus, low utilisation of funds and huge unspent balances with the ULBs indicated that they had not taken up the SWM activities for which the funds were released to them. This also raises issues of proper utilisation of the available funds and also the capacity of the ULBs for proper and timely implementation of planned activities for which funds were transferred as pointed in paragraph 4.9 of the Report. Thus, there is a need for proper review to identify reasons as to why funds were not utilised in time and the SWM activities not undertaken so as to take remedial measures.

While accepting the audit observations, the Department stated (October 2023) that due to delay in selection of schemes by ULBs and non-availability of land as per scheme requirement, SWM activities could not be taken up as planned leading to low utilisation of funds.

#### **4.7.3.1 Diversion of SBM fund**

SBM guidelines stipulate that the SBM funds should be utilised for Material Recovery Facilities (MRFs), transfer stations, composting plants, sanitary landfills, procurement of SWM equipment, capping of all legacy dumpsite in the ULBs and for IEC activities.

During 2018-19 to 2021-22, 10 selected ULBs incurred expenditure of ₹26.67 crore from the SBM fund on various activities, viz., preparation of DPR, establishment of MRF, purchase of equipment, vehicles, dustbins, electricity charges for wastes processing plants, IEC activities, etc.

Scrutiny of records and expenditure statements furnished by 10 selected ULBs revealed diversion of funds in Silchar MB, which had spent ₹4.96 lakh towards procurement of duck, duck feed, grocery, drinking water for Solid Liquid Resource Management centre, ration for circuit house, etc. in violation of SBM guidelines.

#### **4.7.3.2 Outstanding Utilisation Certificate**

Under SBM-Urban, out of ₹135.22 crore available with the Mission Director, Swachh Bharat Mission, Assam (Central and State Share) during the period 2018-19 to 2021-22 for undertaking SWM activities in ULBs, a total of ₹68.66 crore was released to 96 ULBs for various SWM activities and ₹19.43 crore was retained by MD, SBM for procurement of vehicles and machineries and to submit UCs to GoI.

Audit noticed that MD, SBM utilised ₹19.43 crore for procurement of equipment for ULBs and released ₹68.66 crore to 96 Urban Local Bodies (ULBs) for various SWM activities<sup>22</sup>. However, against this expenditure, MD, SBM submitted UC for ₹38.38 crore to GoI, leaving UC for ₹49.71 crore outstanding as of March 2022.

Audit further observed that out of total ₹68.66 crore released to 96 ULBs, the UCs for ₹33.12 crore only was received from the ULBs. Only 10 ULBs furnished complete UCs for an amount of ₹4.76 crore released to them. Further, 61 ULBs furnished partial UCs

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<sup>22</sup> Purchasing of vehicles and machineries, expenditure on manpower, meeting capital/project cost, for segregation, collection and transportation of solid waste and for Integrated Processing and Disposal facility, etc.

for an amount of ₹28.36 crore (41 *per cent*) against ₹47.72 crore released. Whereas, 25 ULBs had not furnished any UCs against ₹16.18 crore released to them.

The status of submission of UCs of SBM funds for SWM in the 10 selected ULBs as on 31 March 2022 was as given in **Table 4.4**.

**Table 4.4: Status of Pending UCs in the selected ULBs**

(₹ in lakh)				
Sl. No.	Name of ULBs	Total Receipts	UC Submitted	UC Pending
1.	GMC	819.73	395.79	423.94 (52%)
2.	Dhubri MB	163.61	163.61	0.00 (0%)
3.	Goalpara MB	134.94	1.00	133.94 (99%)
4.	Bongaigaon MB	167.96	143.44	24.52 (15%)
5.	Nagaon MB	337.56	191.97	145.59 (43%)
6.	Tezpur MB	150.08	90.19	59.89 (40%)
7.	Jorhat MB	211.45	109.76	101.69 (48%)
8.	Dibrugarh MB	1.00	1.00	0.00 (0%)
9.	Tinsukia MB	288.19	205.59	82.60 (29%)
10.	Silchar MB	512.52	359.39	153.13 (30%)
	<b>Total</b>	<b>2,787.04</b>	<b>1,661.74</b>	<b>1,125.30 (40%)</b>

(Source: Information Furnished by Mission Director, SBM)

It could be seen from the above table that out of ₹27.87 crore released to 10 selected ULBs, UCs for ₹16.62 crore were submitted leaving a balance of ₹11.25 crore (40 *per cent*) outstanding as of March 2022.

Audit further observed that out of 10 selected ULBs, Goalpara MB had not submitted UCs for the amount received to the extent of 99 *per cent*, while in seven ULBs<sup>23</sup>, the pendency in submission of UCs against funds received was to the extent of 15 to 52 *per cent*. Two ULBs, namely, Dhubri MB and Dibrugarh MB had no UCs pending for submission. It appears from above that subsequent funds were released by the MD, SBM to the ULBs, without submission of UCs of the previous instalments.

Thus, there is a need for strict monitoring of the ULBs to ensure that funds are utilised in time by the ULBs, and no subsequent instalments should be released unless previous funds had been utilised, to ensure accountability and proper utilisation of funds.

In reply, the Department (October 2023) stated that henceforth, prior to release of subsequent funds, receipt of UCs of previous instalments from the ULBs would be ensured.

#### 4.8 Human resources

Para 1.4.5.4 of SWM Manual 2016 stipulates that for planning an efficient and advanced MSWM system, it is essential to have an efficient institutional structure besides having adequate infrastructure and equipment. In view of the developments in the SWM sector, the Supreme Court appointed an expert committee which recommended that ULBs should have sanctioned posts, *viz.*, Environmental Engineer (EE), Public Health Officer (PHO), Junior Engineer (JE), Sanitation Officer (SO),

<sup>23</sup> Seven ULBs – GMC, Bongaigaon MB, Silchar MB, Nagaon MB, Tezpur MB, Tinsukia MB and Jorhat MB

Sanitary Inspector (SI), Sanitary Sub Inspector (SSI) and Sanitary Supervisor (SS) as per the population of the ULBs.

The position of availability of supervisory staff in the selected 10 ULBs in Assam as of March 2022 is shown in **Table 4.5**.

**Table 4.5: Availability of supervisory staff in the selected ULBs**

Name of the MB	Population as per census 2011	Requirement of staff as per population norm (census 2011)						Actual Persons-in-Position						Percentage of excess (+)/ Shortage (-)					
		HO	JE/AE/EE	SO	SI/SSI	SS	Total	HO	JE/AE/EE	SO	SI/SSI	SS	Total	HO	JE/AE/EE	SO	SI/SSI	SS	Total
Goalpara	55,430		1	1	3	4	9		1	0	0	0	1		0	-100	-100	-100	-89
Tezpur	58,559		1	1	3	4	9		4	0	1	0	5		300	-100	-67	-100	-44
Dhubri	66,338		1	1	3	5	10		1	0	1	1	3		0	-100	-67	-80	-70
Bongaigaon	67,332		1	1	3	5	10		1	1	0	0	2		0	0	-100	-100	-80
Jorhat	71,782		1	1	3	5	10		1	0	0	0	1		0	-100	-100	-100	-90
Tinsukia	99,448		1	1	4	7	13		1	0	0	0	1		0	-100	-100	-100	-92
GMC	9,62,334		10	9	57	77	153		0	0	6	12	18		-100	-100	-89	-84	-88
Nagaon	1,17,722	1	1	1	6	9	18	0	2	0	1	0	3	-100	100	-100	-83	-100	-83
Dibrugarh	1,39,565	1	1	1	7	11	21	0	1	0	1	0	2	-100	0	-100	-86	-100	-90
Silchar	1,72,830	1	1	1	9	13	25	0	2	0	0	0	2	-100	100	-100	-100	-100	-92
<b>Total</b>		<b>3</b>	<b>19</b>	<b>18</b>	<b>98</b>	<b>140</b>	<b>278</b>	<b>0</b>	<b>10</b>	<b>1</b>	<b>9</b>	<b>13</b>	<b>33</b>						

**Colour code: (1) Grey means no staff required as per population norm, (2) Red indicated 100% shortage of staff, (3) Blue indicated shortage of staff between 50 and 92 per cent, (4) Yellow indicated excess staff above requirement and (5) Green indicated no shortage of staff.**

The above table indicated that in all 10 ULBs there was heavy shortfall in availability of supervisory staff for effective implementation of SWM activities as detailed below:

- Only 33 Supervisory Officers were available against the requirement of 278 for management of solid waste in 10 selected ULBs.
- The maximum personnel in position was in GMC with 18 Nos. as against requirement of 153. However, no Environmental Engineer was available in GMC against the requirement of 10.
- While no Health Officer was in position in all three MBs (Nagaon, Dibrugarh and Silchar) though qualified for the post as per population norms.
- Maximum shortage was noticed in the capacity of Sanitation Officer having 100 per cent shortage in nine out of 10 selected ULBs (except Bongaigaon MB) followed by 100 per cent shortage in Sanitary Supervisor and Sanitary Inspector in eight and five selected ULBs respectively.
- Availability of Sanitary Inspector and Sanitary Supervisor in the remaining ULBs was slightly better but the shortage ranged from 67 to 89 per cent (five ULBs) and from 80 to 84 per cent (two MBs) respectively.

Thus, shortage of personnel for handling of solid waste would have adverse impact on the ULBs' ability to implement SWM activities in a scientific manner.



In reply, the Department stated (October 2023) that a one-man Commission has been formed in March 2023 to study the staffing pattern of all Municipal Boards of Assam.

## 4.9 Management of solid waste

SWM Rules, 2016 provides for segregation, storage, collection, transportation, processing and disposal of municipal solid waste for proper management of solid waste. The waste that is generated should be segregated and collected at source. Thereafter, it should be transported and processed. The inert material remaining after processing must be safely disposed. The process of segregation to disposal of waste management is the responsibility of the ULBs.

### 4.9.1 Achievement of Service Level Benchmark

The Ministry of Urban Development has set Service Level Benchmarks (SLBs) at the national level for service provision in four key sectors – water supply, sewerage, SWM and storm water management. The objective of SLB is to monitor SWM activities against the performance indicators to assess performance level in delivery of the Services in the ULBs.

The SLB declarations furnished by 10 selected ULBs in respect of SWM were analysed and their achievement against each performance indicator is shown in **Table 4.6**.

**Table 4.6: Performance indicators and the achievement of Benchmark by 10 selected ULBs**

Sl. No.	Performance indicators (Benchmark percentage) in	Achievement of Benchmark by selected ULBs			Total
		Up to 25 per cent	26-75 per cent	Above 75 per cent	
		Number of ULBs and names			
1	Household level coverage of SWM service (100%)	One (1) ULB: Tezpur MB	Eight (8) ULBs: Bongaigaon, Tinsukia, Jorhat, Nagaon, Dhubri, Goalpara, Dibrugarh and Silchar.	One (1) ULB: GMC	10
2	Efficiency of collection of municipal solid waste (100%)	One (1) ULB: Tezpur MB	Seven (7) ULBs: Bongaigaon, Tinsukia, Jorhat, Nagaon, Dhubri, Dibrugarh, Silchar.	Two (2) ULBs: GMC & Goalpara	10
3	Extent of segregation of municipal solid waste (100%)	Seven (7) ULBs: Tinsukia, Jorhat, Nagaon, Dhubri, Goalpara, Dibrugarh and Tezpur.	Three (3) ULBs: Bongaigaon, Silchar, GMC.	0	10
4	Extent of municipal solid waste recovered (80%)	Five (5) ULBs: Dhubri, Goalpara, Tezpur, Silchar and GMC.	Five (5) ULBs: Bongaigaon, Tinsukia, Jorhat, Nagaon and Dibrugarh.	0	10
5	Extent of scientific disposal of municipal solid waste (100%)	Eight (8) ULBs: Tinsukia, Jorhat, Nagaon, Dhubri, Goalpara, Dibrugarh, Tezpur and Silchar.	Two (2) ULBs: Bongaigaon and GMC.	0	10
6	Efficiency in redressal of customer complaints (80%)	Three (3) ULBs: Tinsukia, Jorhat and Dibrugarh.	Seven (7) ULBs: Bongaigaon, Nagaon, Dhubri, Goalpara, Tezpur, GMC and Silchar.	0	10

Sl. No.	Performance indicators (Benchmark percentage) in	Achievement of Benchmark by selected ULBs			Total
		Up to 25 per cent	26-75 per cent	Above 75 per cent	
		Number of ULBs and names			
7	Extent of cost recovery in SWM services (100%)	<b>Eight (8) ULBs:</b> Jorhat, Nagaon, Dhubri, Goalpara, Dibrugarh, Tezpur, Silchar and GMC.	<b>Two (2) ULBs:</b> Bongaigaon and Tinsukia.	0	10
8	Efficiency in collection of SWM user charges (90%)	<b>Three (3) ULBs:</b> Jorhat, Dhubri and Goalpara.	<b>Five (5) ULBs:</b> Bongaigaon, Tezpur, Dibrugarh, Tinsukia and Silchar.	<b>Two (2) ULBs</b> Nagaon & GMC.	10

Audit observed as follows:

- None of the selected ULBs managed to attain the benchmark of 100% or even cross the 75% mark in the critical components of SWM viz., segregation, recovery and scientific disposal of solid waste.
- Majority of ULBs (7 to 8 out of 10 selected ULBs) achieved service level benchmark only up to 25 per cent in respect of performance indicators listed at Sl. No. 3, 5 and 7. Only two to three ULBs could achieve the said parameters up to 26 - 75 per cent. None of the 10 ULBs could achieve these performance indicators above 75 per cent.
- Against the performance indicators listed at Sl. Nos. 1, 2, 4, 6 and 8, five to eight ULBs out of 10 selected ULBs could achieve up to 26 - 75 per cent. However, only two to three ULBs could achieve up to 26 - 75 per cent of the performance indicators listed at Sl. Nos. 3, 5 and 7. However, none of the 10 ULBs could achieve above 75 per cent of the said indicators.
- Only one ULB could achieve performance indicator listed at Sl. No. 1 i.e., above 75 per cent. Two ULBs achieved above 75 per cent against Sl. No. 2 and Sl. No. 8 of the performance indicators.

Thus, majority of 10 test-checked ULBs achieved up to 26 - 75 per cent of the performance indicators set out by GoI for service delivery benchmarks for SWM activities.

#### 4.9.2 Segregation of waste at source

Section 2.2.1 of MSWM Manuals, 2016 (Part-II) provides for waste generators to practice segregation of waste into bio-degradable, non-biodegradable (recyclable and combustible), sanitary waste and domestic hazardous wastes at source. The Service Level Benchmark (SLB) for segregation of waste at source was 100 per cent for ULBs.

The position of Service Level Benchmark (SLB) for source segregation at household level in the 10 selected ULBs was as given in the **Table 4.7**.

**Table 4.7: Source segregation in selected ULBs as on March 2022**

Sl. No.	Name of the ULB	Number of Households as per 2011 census	SLB achievement-extent of source segregation (in per cent)
1	Bongaigaon MB	16,830	60
2	GMC	2,30,769	40
3	Tezpur MB	13,749	40
4	Nagaon MB	26,483	38
5	Goalpara MB	11,617	26
6	Tinsukia MB	10,845	25
7	Silchar MB	26,620	20
8	Dhubri MB	8,522	20
9	Dibrugarh MB	27,561	10
10	Jorhat MB	13,890	5

(Source: Details furnished by the selected ULBs)

From the table above, it could be seen that all the ULBs fell short of the benchmark of 100 per cent and the performance of the majority of sampled ULBs was below 50 per cent of the SLB. The extent of segregation of waste at source in 10 sampled ULBs as on March 2022 was between only five and 20 per cent in four ULBs, namely, Jorhat MB (five per cent), Dibrugarh MB (10 per cent), Dhubri MB (20 per cent) and Silchar MB (20 per cent). However, in five ULBs, namely, Tinsukia MB, Goalpara MB, Nagaon MB, Tezpur MB and GMC, the source segregation of waste was done to the extent of 25 per cent to 40 per cent of the waste generated. Only Bongaigaon MB could achieve source segregation of solid waste up to 60 per cent.

The foregoing situation indicated that large quantity of waste generated at source was unsegregated while being transported to the primary point of collection facilities. During joint physical verification conducted in 10 sampled ULBs (November 2022 to March 2023), Audit noticed that unsegregated waste was being collected from the collection centres and transported directly to the dumpsite/landfills in mixed form. Thus, unless segregation of waste at source is ensured by the ULBs, the possibility of treatment of waste and scientific disposal of different components of waste would not be possible. In order to mitigate dumping of mixed waste at dumpsites and to facilitate scientific disposal and treatment of waste, there is a need for ensuring segregation of solid waste at the household levels by undertaking necessary awareness campaigns regularly as discussed in Paragraph 4.9.4 of the Report and explore the possibility of imposing fines for non-compliance. This can be seen in context of Hon’ble National Green Tribunal (NGT)<sup>24</sup> order (December 2016) imposing fines for open burning of solid waste on others and ULBs for non-compliance.

In reply, the Department stated (October 2023) that due to non-availability of SWM processing facilities, mix waste collected were dumped in dumpsites. Steps are being initiated to create awareness for segregation of waste at source and the process of remediation of legacy waste has been started.

<sup>24</sup> Hon’ble NGT OA no. 199/2014 dated 22.12.2016.

### 4.9.3 Collection of waste

As per Rule 15(b) of SWM Rules 2016, ULBs should arrange for door-to-door collection of segregated solid waste from all households including slums and informal settlements, commercial, institutional and other non-residential premises. As per the Handbook of SLBs, the Solid Waste was to be measured with reference to total waste generated and total quantum of waste collected by the ULBs or authorised service providers. The SLB for door-to-door collection is 100 *per cent*.

Total solid waste generated in 96 ULBs of Assam was stated to be 1,267.29 Tons Per Day (TPD), against which 1,107.16 TPD (87 *per cent*) of waste was collected. The status of solid waste generated and collected in 10 selected ULBs during 2018-19 to 2021-22 was as given in **Table 4.8**.

**Table 4.8: Solid waste generated and collected in average TPD during 2018-22 in 10 selected ULBs**

Sl. No.	Name of ULB	Solid waste generated (TPD)	Solid waste collected (TPD) ( <i>per cent</i> )	Percentage of coverage of Door-to-door collection
1	GMC <sup>25</sup>	562.50	562.50 (100)	80
2	Bongaigaon MB	18.75	14.00 (75)	60
3	Silchar MB	82.24	82.24 (100)	70
4	Goalpara MB	12.54	10.03 (80)	75
5	Nagaon MB	55.23	55.23 (100)	85
6	Tezpur MB	27.75	27.75 (100)	83
7	Dibrugarh MB	53.75	53.75 (100)	75
8	Dhubri MB	17.65	13.21 (75)	80
9	Tinsukia MB	35.75	34.50 (97)	75
10	Jorhat MB	30.95	30.95 (100)	85
<b>Total</b>		<b>897.11</b>	<b>884.16 (99)</b>	

(Source: Details furnished by the selected ULBs)

It could be seen from the above table that in 10 selected ULBs, solid waste generated was 897.11 TPD against which 884.16 TPD (99 *per cent*) waste was collected. Further, as per the details given in the table above, six ULBs (Sl. Nos. 1, 3, 5, 6, 7 and 10) had shown 100 *per cent* collection of solid waste from primary/ secondary collection centres. In other four sampled ULBs (Sl. Nos. 2, 4, 8 and 9), collection of waste was between 75 and 97 *per cent*.

In respect of door-to-door collection of solid waste, five sampled ULBs (Sl. Nos. 2, 3, 4, 7 and 9) showed to have achieved 60 to 75 *per cent* of household coverage, whereas the other five ULBs (Sl. Nos. 1, 5, 6, 8, and 10) achieved 80 to 85 *per cent* coverage of households during the Audit period as against 100 *per cent* SLB prescribed in the Rules. However, the actual TPD of solid waste collected could not be confirmed due to non-installation of weighing machines at landfills in all the ULBs to measure the TPD of solid waste as required under the Schedule 1 (B) (iv), SWM rules, 2016.

In reply, the Department stated (October 2023) that weighing bridges would be established on the basis of availability of funds.

<sup>25</sup> GMC provided data for only two years 2020-21 and 2021-22.

Audit is of the view that given the significant performance in door-to-door collection of waste by test-checked ULBs, Solid Waste management would improve significantly if segregation of waste at source, which is at present lacking, as pointed out in paragraph 4.9.2 of this Report is enforced strongly by the ULBs.

#### **4.9.3.1 Non-participation of Informal sector/ waste-pickers in SWM**

Rule 11 (c) of SWM Rules, 2016 requires State Government to provide broad guidelines regarding integration of waste pickers or informal waste collectors with SWM system. Further, Rule 15 (c) of SWM Rules, 2016 stipulates that it was the duty of ULBs to establish a system to recognise organisations of waste pickers or informal waste collectors and promote and establish a system for integration of these authorised waste pickers and waste collectors to facilitate their participation in Solid Waste Management (SWM) including door to door collection of waste.

Audit, however, observed that the State Government had not issued any guidelines for integration of waste pickers or informal waste collectors with SWM system in the State during the period 2018-19 to 2021-22. In the absence of prescribed guidelines, the ULBs lacked directions for integrating waste pickers with the SWM system.

Test-check of 10 selected ULBs revealed that three ULBs<sup>26</sup> did not have a system of recognising and integrating waste pickers/informal waste collectors with the SWM. Though the seven ULBs<sup>27</sup> stated that waste pickers/ informal waste collectors were integrated within the SWM activities, no such details were produced to Audit for verification. Thus, the participation of waste pickers/ informal waste collectors was yet to be fully integrated into the SWM in Assam. Thus, there is need for issuing specific guidelines to integrate waste pickers or informal waste collectors with the SWM system.

In reply, the Department stated (October 2023) that process of mapping of informal waste pickers has been initiated through empanelled agency of SBM-U.

#### **4.9.3.2 Non-utilisation of Personal Protection Equipment**

As per Rule 15, Clause (zd) of SWM Rules, 2016, Local Bodies shall ensure that the operator of a facility provides personal protection equipment (PPE) including uniform, fluorescent jacket, hand gloves, raincoats, appropriate footwear, and masks for all workers handling solid waste and the same are used by the workforce.

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<sup>26</sup> GMC, Dhubri MB and Tinsukia MB.

<sup>27</sup> Bongaigoan MB, Silchar MB, Goalpara MB, Tezpur MB, Dibrugarh MB, Nagaon MB and Jorhat MB.



As depicted in the following photographs, Audit noticed in 10 selected ULBs that the workforce involved in manual handling of waste were not using protective equipment, particularly gloves and boots though they were provided with such equipment by the ULBs:



Non-utilisation of protective equipment is risky and may lead to serious health hazards to the work force. ULBs need to analyse the reason for non-utilisation of protective equipment by the workforce and take steps to ensure utilisation of PPE by the workforce involved in manual handling of solid waste as required under the Rules.

#### 4.9.4 Information, Education and Communication (IEC) activities

SWM Rules, 2016 (Rule 15 (zg)) and Manuals on MSWM, 2016 (Section 1.4.5.13) prescribe IEC activities<sup>28</sup> to be undertaken by the ULBs to create public awareness and educate waste generators to achieve the overall objectives of SWM. The IEC campaign should target households, shops, and commercial and institutional premises as well as other stakeholders such as municipal officials, elected representatives, schools, NGOs, the informal sector, media, *etc.* to ensure their participation in managing city waste by discharging their roles effectively.

The status of IEC activities undertaken by 10 selected ULBs through various modes of communication during the audit period from 2018-19 to 2021-22 was as given in the **Table 4.9**.

**Table 4.9: Status of Information, Education and Communication Activities in the selected ULBs during 2018-19 to 2021-22**

Sl. No.	Name of ULB	Wall painting	Mike announcement/ Audio	Posters	Leaflets	Hoarding	Street Play
1	GMC	✓	✓	✓	✓	✓	✓
2	Bongaigaon MB	✓	✗	✓	✓	✓	✓
3	Silchar MB	✓	✓	✗	✗	✗	✗

<sup>28</sup> (i) not to litter, (ii) minimise generation of waste, (iii) reuse waste to extent possible, (iv) practice segregation of waste into bio-degradable, non- biodegradable, sanitary waste and domestic hazardous waste, (v) practice home composting, vermin composting and bio gas generation or community participation, (vi) wrap securely used sanitary waste, (vii) storage of segregated waste in different bin, (viii) handover segregated waste to waste pickers and (ix) pay monthly user fee or charges to waste collectors or local bodies.

Sl. No.	Name of ULB	Wall painting	Mike announcement/ Audio	Posters	Leaflets	Hoarding	Street Play
4	Goalpara MB	×	✓	×	×	×	✓
5	Nagaon MB	✓	×	✓	✓	✓	×
6	Tezpur MB	✓	×	✓	✓	✓	✓
7	Dibrugarh MB	✓	×	×	×	×	✓
8	Dhubri MB	×	✓	✓	✓	✓	✓
9	Tinsukia MB	✓	×	✓	✓	✓	×
10	Jorhat MB	×	×	✓	✓	✓	×

(Source: Information furnished by selected ULBs)

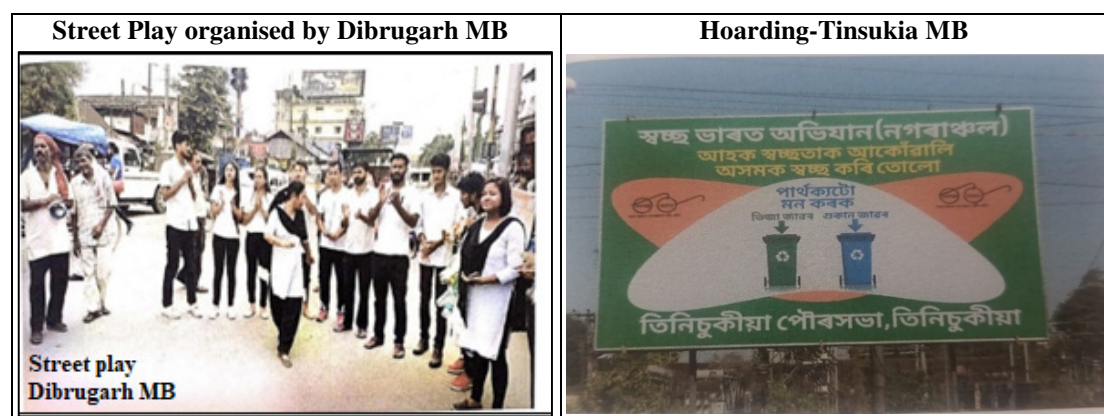
Audit noticed that in 10 selected ULBs, IEC activities to create public awareness and to educate the waste generators were undertaken through various modes of communication such as Wall painting, Mike announcement/Audio, Posters, Leaflets, Hoarding, Street play, *etc.* Creation of public awareness on the items shown in the prescribed IEC activities are important components of SWM efforts. Some sampled ULBs such as Silchar MB, Goalpara MB, Dibrugarh MB and Jorhat MB used lesser known modes of communication for raising public awareness.

Though IEC activities were being undertaken in 10 selected ULBs, due to lack of information regarding the frequency of such activities, the extent of coverage by IEC activities could not be assessed. Instances of littering of waste, non-segregation of waste into different bins, disposal of waste in mixed form in public places and manual handling of solid waste without using PPE, *etc.* noticed in Audit point to the need for increasing IEC activities to create greater awareness amongst the waste generators and handlers about its negative impact on health and environment.

There is need for norms to monitor the frequency of IEC activities conducted, mandatory inspections of primary point of waste collections, door-to-door awareness campaign, earmarking of funds under budget, *etc.* to tackle the problem of solid waste remaining unattended in the urban areas.

Unless public participation in creating awareness and managing solid waste at the household level is ensured, the issues will remain a huge challenge to environment and health of the people residing in the urban areas. Some examples of IEC activities undertaken in the sampled ULBs are shown below:





In reply, the Department stated (October 2023) that one Agency viz., Urban Management Centre has been engaged to assess the gap on SWM and also to create awareness amongst the citizens and conduct capacity building of ULB functionaries.

#### 4.9.5 Transportation of solid waste

SWM Rules, 2016 provide that conveyance of solid waste either treated, partly treated or untreated, from a location to another location should be in an environmentally sound manner through specially designed and covered transport system so as to prevent the foul odour, littering and unsightly conditions. MSWM Manual, 2016 requires that communication technologies such as Global Positioning System (GPS) are to be integrated as part of monitoring of SWM system. This also helps in improving the collection and transportation efficiency of the vehicles.

Audit noticed that in all the 10 selected ULBs, waste transportation was carried out by uncovered vehicles in mixed form causing littering of waste and polluting of the surroundings. These uncovered vehicles emanated bad odour during transportation and lacked hygienic transfer of solid waste from one place to another though required under the Rules.



Further, three out of 10 selected ULBs, namely, Bongaigaon MB, Dibrugarh MB and Tinsukia MB, stated that they had transportation vehicles fixed with ICT/GPS for tracking and monitoring of the movement. However, joint physical verification conducted in 10 sampled ULBs could not confirm the existence of these facilities in the transportation

vehicles. Absence of GPS deprived the ULBs of an effective tracking mechanism for collection and transportation of solid waste.



In reply, the Department stated (October 2023) that the process for arrangement of designed covered vehicles has been initiated to prevent foul odour, littering and unsightly conditions. GPS would be integrated as part of monitoring of SWM system immediately after the mapping of roads are completed.

#### 4.9.6 Processing of Municipal Solid Waste

As per SWM Rules, 2016, processing means any scientific process by which segregated solid waste is handled for the purpose of reuse, recycling, or transformation into new products.

Total solid waste generated in 96 ULBs of Assam was 1,267.29 TPD and against which, 657.74 TPD (52 *per cent*) of waste was stated to be processed.

The status of solid waste generated and processed in 10 selected ULBs during 2018-19 to 2021-22 was as given in **Table 4.10**.

**Table 4.10: Solid waste generated and processed TPD (average of 4 years) in the 10 selected ULBs during 2018-19 to 2021-22**

Sl. No.	Name of ULB	Solid waste generated (TPD)	Solid waste processed (TPD)	Percentage of Solid waste processed
1	GMC	562.50	260	46
2	Bongaigaon MB	18.75	2.25	12
3	Silchar MB	82.24	32.69	40
4	Goalpara MB	12.54	0.50	4
5	Nagaon MB	55.23	15.87	29
6	Tezpur MB	27.75	10.25	37
7	Dibrugarh MB	53.75	4.50	8
8	Dhubri MB	17.65	0.62	4
9	Tinsukia MB	35.75	0.00	0
10	Jorhat MB	30.95	3.72	12
	<b>Total</b>	<b>897.11</b>	<b>330.40</b>	<b>37</b>

(Source: information furnished by the selected ULBs)

As per the table above, in 10 selected ULBs Audit noticed that only four ULBs (Sl. Nos. 1, 3, 5 and 6) indicated processing of solid waste from 29 *per cent* to 46 *per cent* of the solid waste generated in TPD (average). In other six ULBs (Sl. Nos. 2, 4, 7, 8, 9 and 10), there was hardly any processing of solid waste as can be seen in the table above. Further, it was seen during audit of selected ULBs that in seven out of 10 ULBs the solid waste processing plants were non-operational as discussed in the succeeding paragraphs. Due to lack of processing of waste huge piles of legacy waste were noticed in dumpsites.

In reply, the Department stated (October 2023) that steps to set up solid waste processing plants including compost pits for management of wet waste in all the ULBs have been initiated to enhance the processing capacity of ULBs.

#### 4.9.6.1 Assam State Policy on Construction and Demolition Waste

Rule 9 (1) of the Construction & Demolition (C&D) Waste Management Rules stipulated that the Secretary in-charge of development in the State Government or Union territory administration shall prepare their policy document with respect to

management of C&D waste in accordance with the provisions of these rules within one year from date of final notification (29 March 2016) of these rules.

Audit, however, noticed that though the draft Assam State Policy on C&D Waste was forwarded to the GoA by Directorate of Municipal Administration in February 2021, after a delay of almost five years, the State Government was yet to approve as on date of Audit. Besides, neither the DoHUA nor the ULBs had framed any SOP or carried out any activities on C&D waste. Only GMC had engaged (April 2022) a consultant for preparation of the Detailed Project Report for collection, transportation, processing and management of C & D Waste in Guwahati.

#### **4.9.6.2 Processing of Construction and Demolition Waste**

Clause 4.6 of MSWM, 2000 stipulates that construction and demolition (C&D) waste, being predominantly inert in nature does not create chemical or biochemical pollution and hence maximum effort should be made to reuse and recycle them.

Audit observed that the total amount of C&D waste generated per day in Assam as per the Pollution Control Board, Assam was 184.765 MT per day. However, at present, no C&D waste processing facility existed in any of the 104 ULBs as on the date of audit (March 2022). The most common disposal method used was dumping of the waste in low lying municipal areas. Though GMC had requested (January 2023) the Deputy Commissioner (DC), Kamrup (Metro) for allotment of 25 bigha of land for setting up of 100 TPD C&D waste processing plant, however, land was yet to be allotted to GMC.

Audit further noticed that GMC had three registered Vendors for collection and disposal of C&D waste at an average of 200 tonne per month. The recyclable waste like iron, rods, steel, aluminium, *etc.* are sold to the scrap dealers and the non-recyclable waste of debris and construction rubbles were used for land filling at various construction sites. The GoA and the ULBs were yet to take concrete steps for implementation of the C&D Waste Management Rules 2016.

#### **4.9.6.3 Non-operational solid waste processing plants**

The MSW Processing Facility was meant for disposal of solid waste in a scientific way following the Solid Waste Management Rules (SWM) 2016 prescribed by Union Ministry of Environment, Forests and Climate Change, Government of India.

The status of solid waste processing plants installed in the selected ULBs are shown in **Appendix-4.2** and discussed in the succeeding paragraphs:

##### **4.9.6.3.1 Organic Waste Convertors machines lying idle**

Rule 15 of SWM Rules, 2016 provides that municipal authorities shall adopt suitable technology or combination of such technologies to make use of wastes so as to minimise burden on landfills. Accordingly, the MD, SBM issued (January and December 2020) order for supply, installation and commissioning of 55 Organic Waste Convertors (OWCs) worth ₹7.94 crore for distribution to 39 ULBs on turnkey basis as detailed in **Appendix-4.3**.

Audit noticed that out of 55 OWCs, 23 OWCs valuing ₹3.04 crore were supplied to 8 out of 10 selected ULBs. The position of OWCs supplied, installed and commissioned in 8 sampled ULBs is given in the **Table 4.11**.

**Table 4.11: Position of OWC machines delivered to 8 selected ULBs as on 31 March 2022**

Sl. No.	Name of ULB	Order No.	No. of OWC Supplied	Date of Delivery	Amount involved (₹ in lakh)	Audit findings
1	Bongaigaon MB	No. SBM(U)208/2019/183 dtd. 22.01.2020 (15 OWC)	2	29.02.2020	32.90	Lying idle due to lack of technical support from the vendor.
2	Silchar MB		4	22.02.2020	65.79	OWCs remained non-functional due to technical difficulties.
3	Tezpur MB		2	24.02.2020	32.90	OWCs lying idle due to non-finalisation of party/vendor for leasing out the OWCs Plant.
4	Tinsukia MB		3	26.05.2020	49.34	Installation and commissioning not done for 799 days from the date of supply order by the vendor due to non-connection of power supply.
5	Nagaon MB	SBM(U)212/2019/P-III/97 dtd. 05.12.2020	2	17.03.2021	41.04	All the 3 units were lying defunct due to mechanical issues.
			1	14.08.2021		
6	Goalpara MB		2	12.03.2021	27.36	Non-functional due to failure of Shredder parts and switch panel of the machines.
7	Jorhat MB		2	03.05.2021	27.36	Not in operation due non-finalisation of third party /vendor for leasing out of OWCs.
8	Dhubri MB		2	08.01.2021	27.36	Installation not done for 481 days from the date of supply order.
<b>Total</b>			<b>20</b>		<b>303.60</b>	

(Source: Information furnished by MD, SBM and selected ULBs)

NB: No OWCs were supplied to Dibrugarh MB and GMC

During audit of 10 selected ULBs, it was found that OWCs were delivered (between February 2020 and August 2021) to be installed and commissioned within 30 and 45 days of supply orders in 8 out of 10 ULBs. However, it can be seen from the above table that OWCs were not installed for more than one year in two selected ULBs (Sl. No. 4 and 8) due to lack of power supply. In the remaining six ULBs (Sl. Nos. 1, 2, 3, 5, 6 and 7) though the OWCs were installed, they were non-functional due to technical issues and non-finalisation of third party for operation of OWCs.

Thus, expenditure of ₹3.04 crore remained unproductive due to non-utilisation of the OWCs after delivery of the machines to eight ULBs as of March 2022. Besides, the objective of procurement of the OWCs, to make use of waste and minimising burden on landfills also remained unachieved.

In reply, the Department stated that steps to operationalise all OWCs distributed to ULBs would be made operational shortly.

#### **4.9.6.3.2 Non-operation of Plants/ machines installed in ULBs**

Audit noticed some equipment and machines procured/installed by the ULBs for different purpose during August 2011 to April 2022 were not operational as discussed below:

### **A. Non-operational Bio mining plant under the Silchar MB**

To clear the legacy waste, the Silchar MB installed (April 2022) a Bio-mining plant at Meherpur Dumpsite with a processing capacity of 50 TPD worth ₹1.92 crore<sup>29</sup> from 15<sup>th</sup> CFC Grants. However, joint physical verification (December 2022) of the dumpsite at Meherpur, Silchar revealed that the Bio-mining plant was non-operational due to lack of manpower and supporting equipment such as JCB, *etc.* for seven months. Thus, the very purpose of installation of the waste processing plant was defeated and clearing of legacy waste remained un-attended till the date of Audit (December 2022).



In reply, the Department stated steps are being taken to operationalise the Bio-mining plant by providing required man-power and machineries.

### **B. Non-operational solid waste treatment plant in Jorhat MB**

Jorhat Municipal Board established (in November 2020) a waste treatment plant (with a processing capacity of 15 TPD) by incurring expenditure of ₹99.42 lakh<sup>30</sup> at Garmur Dumping Ground, Jorhat. During joint physical verification (February 2023), it was seen that the solid waste treatment plant was lying idle and non-operational for more than one year three months due to mechanical issues<sup>31</sup> and lack of trained manpower. Thus, the objective of establishment of solid waste treatment plant remained unachieved till the date of Audit (February 2023).



In reply, the Department stated that efforts are being taken to operationalise it within short period of time.

### **C. Defunct Trommel machine in Tezpur MB**

With the objective of processing, recycling and to reduce the legacy waste, one Trommel machine with capacity of 50 TPD was installed (August 2011) at Dumpsite of Tezpur MB by the Govt. of India through National Buildings Construction Corporation Ltd. involving ₹6.85 crore.

<sup>29</sup> Till date of audit ₹1.02 crore only was paid to the vendor.

<sup>30</sup> ₹11.73 lakh from 14<sup>th</sup> FC grant and ₹87.69 lakh from SBM(U) fund

<sup>31</sup> Defect in waste separator and burner units, *etc.*

During joint physical verification, it was seen that the Trommel Machine was non-functional and lying idle from January 2022 due to pending repair works of the plant, outstanding electricity bills and non-renewal of the lease deed with the vendor. Thus, due to the lack of initiative from the Tezpur MB, the Trommel machine remained non-operational leading to non-processing of municipal waste and non-clearance of legacy waste for more than 10 months till the date of Audit (November 2022).



Thus, due to non-operation of all the above machines for treatment and processing of solid waste, an investment of ₹8.86 crore<sup>32</sup> in three ULBs was unfruitful and the objective of the projects was not achieved for a period ranging from seven months to one year three months. Low processing of solid waste as highlighted can be attributed to the non-functional waste processing plants in the ULBs. The ULBs should operationalise non-functional plants/ machines at the earliest to help achieve significant improvement in the quantum of processing of waste.

#### 4.9.7 Disposal of solid waste





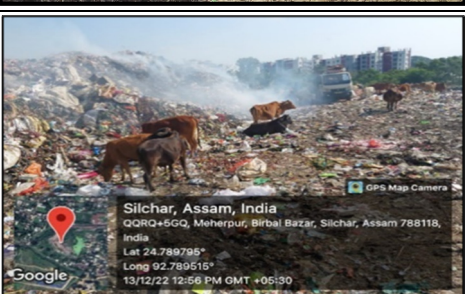

##### 4.9.7.1 Status of Dumpsites/ Landfills in selected ULBs

As per SWM rules 2016, "disposal" means the final and safe disposal of post processed residual solid waste and inert street sweepings and silt from surface drains on land as specified in Schedule I to prevent contamination of ground water, surface water, ambient air and attraction of animals or birds. Schedule I (A) & (B) of SWM Rules, 2016 laid down the criteria and facilities that should be available at dumpsites.

During Joint Physical Verification conducted by audit during November 2022 to March 2023 of dumping sites/landfills of 10 selected ULBs, audit observed the following: -






<sup>32</sup> ₹ 1.02 crore (bio-mining plant in Silchar MB) + ₹0.99 crore (Solid Waste Treatment Plant in Jorhat MB) + ₹6.85 crore (Trommel machine in Tezpur MB) = ₹8.86 crore





Sl No.	Criteria	Audit Observations	Photograph taken during Joint Physical Verification
1.	As per Rule 11 (f) of SWM Rules, 2016, the Secretary, Urban Development Department in the State or Union Territory through the Commissioner or Director of Municipal Administration or Director of local bodies shall ensure identification and allocation of suitable land for setting up of sanitary landfill site.	In five out of 10 selected ULBs, sanitary landfill sites had not been identified and no action had been taken, namely, GMC, Silchar MB, Tinsukia MB, Tezpur MB and Jorhat MB. Though the remaining five ULBs had identified site, only one ULB viz., Dibrugarh MB had the approved and operational sanitary landfill. In of the remaining four ULBs viz., Bongaigaon MB, Goalpara MB, Nagaon MB and Dhubri MB, approval from the Government was awaited. Thus, the ULBs disposed mixed waste in open areas, riverbank and roadsides, etc. which was unhygienic and non-scientific, causing serious public health and environmental hazards.	  
2.	As per Schedule I (B) of SWM Rules, 2016 dumpsite shall be fenced or hedged and provided with proper gate to monitor incoming vehicles, to prevent entry of unauthorised persons and stray animals.	None of 10 selected ULBs (except Lekai Dumpsite, Dibrugarh MB) had covered their dumpsites with Boundary Wall. At the dumpsites of GMC, Silchar MB, Jorhat MB and Tinsukia MB, stray animals were seen consuming mixed waste and found pulling and scattering the waste rendering the surroundings unclean and unhygienic.	 
3.	As per MSWM manual 2016, burning of MSW may have implications on the environment like poor quality of air, etc. and as such ULBs should prevent open burning of MSW. Further,	Open burning of waste was noticed at the dumpsites of four out of 10 selected ULBs, namely, Silchar MB, Dibrugarh MB (Maijan dump site), Dhubri MB, and Goalpara MB, which was harmful for the environment and a violation of the	

Sl No.	Criteria	Audit Observations	Photograph taken during Joint Physical Verification
	Hon'ble National Green Tribunal (December 2016) directed ULBs to implement complete prohibition on open burning of waste on lands.	provision of the rules/manual. In the remaining six ULBs, no open burning of waste was noticed. But piling up of solid waste as huge heap without any scientific disposal and processing of waste was noticed in five ULBs viz., GMC, Tezpur MB, Jorhat MB, Tinsukia MB and Bongaigaon MB.	 
4.	As per Schedule I (B) of SWM Rules, 2016 Provisions like weigh bridge to measure quantity of waste brought at dumpsite	The weighing machines for determination of quantity of MSW were not found in any of the 10 selected ULBs except Dibrugarh MB which was found to be non-operational.	
5.	As per Schedule I (A) of SWM Rules, 2016 the landfill site shall be 100 meters away from river, 200 meters from a pond, 200 meters from Highways, Habitations, Public Parks and water supply wells and 20 km away from Airports or Airbase. The Landfill site shall not be permitted within the flood plains as recorded for the last 100 years, zone of coastal regulation, wetland, Critical habitat areas, sensitive eco-fragile areas.	<p>1) Dumpsite (now closed w.e.f. July 2021) at Maijan under Dibrugarh MB, located on the bank of river Brahmaputra, without approval from PCBA as shown in the photograph. Dumping of waste on riverbank contaminated the river water with leachate. No effort was made to clean the area of waste so far.</p> <p>2) Dhubri MB, was using old/closed dumpsite at Mela Ground situated approximately within 100 meters of the heart of the Dhubri town on the bank of Gadadhar River, as shown in the photograph, affecting the surrounding habitations and river. A new dumpsite at Daobhangi, Rupsi, Dhubri MB is situated approximately within 8 Km of Rupsi Airport without obtaining necessary approval from Airport authority</p>	 



Sl No.	Criteria	Audit Observations	Photograph taken during Joint Physical Verification
		3) Dumpsite at Meherpur, Silchar MB was situated approximately within 50 meters of human habitation, which was in violation of the provision of the Rules.	
		4) The Dumpsite of GMC at Belortal, Boragaon situated approximately within 15 meters of River Pamohi, had no approval from PCBA which was in violation of the rules. Dumping of waste on riverbank contaminated the river water with leachate.	
		5) Human habitation situated approximately within 20 meters of the dumpsite at Bongaigaon MB in violation of the provision of the Rules.	
		6) Dumpsite of Tinsukia MB was located approximately within 10 meters of Human habitation.	
		7) Dumpsite of Jorhat MB was located, approximately, within 20 meters of human habitation, 10 meters of public park and 10 meters of Tocklai river.	



Sl No.	Criteria	Audit Observations	Photograph taken during Joint Physical Verification
		8) Dumpsite of Tezpur MB was located approximately within 20 meters of the human habitation.	
		9) In Goalpara MB, the dumpsite was located beyond 200 meters from habitation, public park and river, which indicated that it was set up as per prescribed criteria.	

Further, as per Schedule I (A) of SWM Rules, 2016 Landfill sites shall be set up as per the guidelines of the Ministry of Urban Development, Government of India and Central Pollution Control Board and as per Rule 19 (3) of SWM Rules, 2016 the operator of the facility shall obtain necessary approvals from the State Pollution Control Board or Pollution Control Committee.

However, except Dibrugarh MB (Lekai Dumpsite), the selected ULBs had neither set up landfill sites as per guidelines nor had they obtained consent and authorisation from PCBA for processing and disposal of waste.

As per Rule 15(i)(j) of SWM Rules 2016, ULBs are required to establish Waste Deposition Centres for domestic hazardous waste and give directions to waste generators to deposit domestic hazardous wastes at the centres for its safe disposal.

It was observed that none of the selected ULBs had established separate Waste Deposition Centre for domestic hazardous waste as of March 2022. Domestic hazardous wastes can pose a substantial or threat to health and environment due to its hazardous constituents.

Thus, shortfall in processing of solid waste (40 *per cent* to 63 *per cent*), in door to door collection, non-segregation of waste at source, non-usage of covered vehicles with GPS tracking, non-utilisation of PPE by the handlers, non-integration of informal sector into SWM system, *etc.* in selected ULBs indicated that scientific handling and processing of solid waste for purpose of reuse, recycling and transforming into new products with minimum health and environment hazards and to reduce waste disposal have not been achieved as envisaged in SWM Rules. There were several instances of non-compliance of the provisions of rules to regulate the manner dumpsites and landfills were to be located and maintained by the ULBs. Due to harmful effect on environment including parks, rivers and human habitations, the ULBs need to review the location of

dumpsites/landfills to conform to the prescribed criteria for ensuring proper and scientific management of solid waste generated in the urban areas.

In reply, the Department stated that (October 2023) MBs have now identified land for sanitary landfill, necessary instructions were issued to all ULBs to follow the MSWM manual 2016, to obtain necessary NOCs for setting up of SWM plants, processing and disposal of wastes and stop open burning of waste at dumpsite. Further, it was stated that remediation of dumpsites have been started and would be completed within one year.

#### **4.10 Monitoring arrangement**

Para 1.4.5.4 of MSWM Manual 2016 emphasises establishment of an effective institutional setup capable of designing, implementing, and monitoring the MSWM system within the local authority. As per Rule 11 (d) of SWM Rules 2016, the State Government shall ensure implementation of provisions of SWM Rules, 2016 by all ULBs.

Audit observations are given in the succeeding paragraphs:

##### **4.10.1 Monitoring at State Level**

Audit noticed that no specific Committee or Board was created at State Government/Directorate level to monitor implementation of SWM activities funded from other sources than that of SBM. The State High Powered Committee (SHPC) for SBM (U), Assam, was constituted (February 2015), for management and monitoring of SBM (U) implementation. SHPC is responsible for management of SBM-U and is the approving authority for overall plan for achieving SBM objectives. Further, the DMA, Assam also stated (November 2022) that no monitoring and evaluation mechanism was established to regularly monitor and supervise SWM activities undertaken in the ULBs. Due to absence of any such monitoring mechanism at the DoHUA/DMA, the proper and timely utilisation of funds and implementation of SWM activities were found to be deficient in many areas.

##### **4.10.2 Monitoring at State Pollution Control Board (SPCB) level**

As per Rule 16(1) of SWM 2016, SPCB should enforce the rules in the State through ULBs and review implementation of these rules at least twice in a year in close coordination with concerned Directorate or Municipal Administration or Secretary in charge of State Urban Development Department.

However, Audit observed that only one review meeting was conducted in a year by PCBA during period of audit from 2018-19 to 2021-22 instead of the requirement of at least twice a year under the Rules.

##### **4.10.3 Monitoring of Pollution Level**

SWM Rules, 2016 provides for regular monitoring of pollution levels at Dumpsites/landfills. Audit observations in this regard are given below:

Nature of Pollution	Criteria	Audit observations
<b>Ambient Air</b>	Schedule I (F) of SWM Rules, 2016 prescribe ULBs to install gas control system at landfill site to minimise odour, prevent off-site migration of gases, to protect vegetation planted on the rehabilitated landfill surface. Further, ULBs and State Pollution Control Board (SPCB) shall monitor Ambient air quality at the landfill site and at the vicinity regularly.	None of the 10 selected ULBs had installed gas control system at their dumpsite/landfills or get monitored ambient air quality at dumpsite/landfills by SPCB during the period 2018-19 to 2021-22.
<b>Water Quality</b>	As per Schedule I (E) of SWM Rules, 2016, before establishing any landfill site, baseline data of ground water quality in the area shall be collected and kept in record for future reference. The ground water quality within 50 meter of the periphery of landfill site shall be periodically monitored covering different seasons in a year that is, summer, monsoon and post-monsoon period to ensure that the ground water is not contaminated. Usage of groundwater in and around landfill sites for any purpose (including drinking and irrigation) shall be considered only after ensuring its quality.	Eight out of 10 selected ULBs did not assess water quality in the periphery of the Dumpsite/ landfill areas in violation of the provision of the Rule. Though Dibrugarh MB and Bongaigaon MB stated to monitor the water quality, no monitoring report was furnished to audit for verification.
<b>Pollution from landfill operation</b>	As per Schedule I (D) of SWM Rules, 2016, provisions for diversion of storm water discharge drains shall be made to minimise leachate generation and prevent pollution of surface water and also for avoiding flooding and creation of marshy conditions. Provisions for management of leachates including its collection and treatment shall be made.	None of the 10 selected ULBs made any provision for management of leachates.

It can be seen from the table that all the 10 selected ULBs did not get gas control system installed at the land fill/dump sites nor was ambient air monitored by the SPCB. Audit also could not confirm whether ground water within 50 meters of the periphery of landfill sites were regularly monitored by ULBs and steps are taken for maintaining quality of ground water around the landfills and dumpsites without any documentation from the ULBs.

Thus, there is a need for setting up monitoring mechanisms both at the State level and DMA and the number of meetings and inspections of sites should be specified to be effective. The ULBs should take up the matter of monitoring of ambient air quality and ground water quality with the concerned authorities.

In reply, the Department stated that ULBs were in the process of floating of RFP for establishment of sanitary landfill. Steps would be taken to assess water quality in the periphery of the Dumpsite/ landfill areas. Provision for leachate management has been provided in DPRs prepared for establishment of sanitary landfill.

#### 4.11 Conclusion

The “Draft Assam Urban Solid Waste Management Policy, 2018” was yet to be approved by the Government even after six years of notification of Solid Waste

Management Rules, 2016. None of the 10 sampled ULBs had prepared short-term, long-term and contingency plans as on March 2022.

Wide variation between 6 and 57 *per cent* were noticed, in the utilisation of funds among the 10 sampled ULBs during the four-year period 2018-19 to 2021-22. Though submission of UCs by the ULBs was not regular, subsequent funds were released by the MD, SBM to the ULBs, without submission of UCs of the previous instalments.

None of the 10 sampled ULBs could meet the Service Level Benchmark of 100 *per cent* segregation of waste at source. Unsegregated waste was being collected from the collection centres and transported directly to the dumpsite/landfills in mixed forms without treatment and processing and scientific disposal of waste.

None of the 10 sampled ULBs could meet the Service Level Benchmark of 100 *per cent* for door-to-door collection of waste. The actual TPD of solid waste collected could not be confirmed due to non-installation of weighing machines at landfills in all the ULBs.

None of the 10 sampled ULBs managed to attain the benchmark of 100 *per cent* or even cross the 75 *per cent* mark in the critical components of SWM *viz.*, recovery and scientific disposal of solid waste.

In all the 10 sampled ULBs, waste was transported in uncovered vehicles in mixed form resulting in foul odour, littering and unsightly conditions, which was against the Rules. Further, the sampled ULBs did not have ICT based solution for tracking and monitoring of vehicles.

On an average only 37 *per cent* of the waste generated was processed in the selected ULBs during the period 2018-19 to 2021-22. Except GMC, Dibrugarh and Bongaigaon MB, seven sampled ULBs did not have operational Waste Processing Plants. Expenditure of ₹3.04 crore on OWCs remained unproductive due to non-utilisation of the plants in eight ULBs for more than one year as of March 2022.

Except Dibrugarh MB, nine test-checked ULBs did not establish Sanitary Landfill and were using dumping sites/landfills for disposal of waste. Several instances of non-compliance of the provisions of rules were noticed in these dumping sites/landfills *viz.*, non-scientific disposal of waste, open burning of waste at dumpsites, location of dumpsites within 50 meters of river, public parks and human habitation, *etc.*

Due to absence of monitoring mechanism at the DoHUA/DMA, the proper and timely utilisation of funds and implementation of SWM activities were found to be deficient in many areas.

#### **4.12 Recommendations**

- *The Government should roll out the proposed State Policy and Strategy for SWM to implement the strategic interventions as envisaged therein in all the ULBs in a time bound manner.*

- *The Government should identify the reasons as to why funds were not utilised in time and undertake remedial measures to ensure that SWM activities are not hampered due to low capacity of the ULBs.*
- *The ULBs should ensure segregation of solid waste at the household levels by undertaking necessary awareness campaigns regularly and explore the possibility of imposing fines for non-compliance to mitigate dumping of mixed waste at dumpsites and to facilitate scientific disposal and treatment of waste.*
- *The ULBs should take effective steps to operationalise the existing plants/machines at the earliest to achieve the objective of the projects.*
- *ULBs must review the location of dumpsites/landfills to conform to the prescribed criteria for ensuring proper and scientific management of solid waste generated in the urban areas.*
- *The Government should establish a mechanism to ensure SWM activities are carried out and implemented in a time bound manner to achieve the objective of the projects.*



# **CHAPTER-V**

## **Compliance Audit of Urban Local Bodies**





## CHAPTER- V

### DEPARTMENT OF HOUSING AND URBAN AFFAIRS

#### COMPLIANCE AUDIT OF ULBs

##### 5.1 Vendors' market remaining unfinished for years together

*The objective to provide adequate commercial facility to the citizen of Dabaka town by setting up a vendor market remained unachieved even after eight years of the target date of completion. It was attributable to prolonged inaction and lack of pursuance by Municipal Board. This has rendered the expenditure of ₹3.66 crore on construction of the unfinished and unused market building unproductive besides potential loss of revenue.*

Government of India accorded sanction (September 2011) for the project "Vendor's market at Dabaka town" under NLCPR<sup>33</sup> for an amount of ₹4.48 crore. The objective of the project was to provide adequate commercial facility to citizens of the region by creation of planned infrastructure. Administrative Approval for the same was accorded by Government of Assam in September 2012. An amount of ₹3.47 crore was released for the project to Dabaka MB between October 2013 and December 2020. Based on the Notice Inviting Tender (NIT) issued (March 2013) and after following tender formalities, the work was awarded (October 2013) to a contractor for an amount of ₹3.70 crore with instructions to complete the work within 24 months from the date of issue of work order *i.e.*, by October 2015.

Scrutiny (July 2022) of records revealed that the contractor started the work in February 2014 and as per the measurement book, the value of unfinished civil works done till October 2015 was ₹1.91 crore. Thereafter, no work was executed between October 2015 and July 2019 by the contractor. Only about four years after the scheduled completion date, the contractor expressed (July 2019) his inability to complete the work on the ground of his ill health since October 2015. The value of the work done (₹1.91 crore) by the contractor till July 2019 was paid to him through four RA Bills between March 2014 and June 2019.

To complete the remaining works, the Dabaka MB engaged (September 2019) another contractor at a contract value of ₹1.94 crore, after following the tendering process. The second contractor started the work in September 2019 and submitted (June 2021) the final RA Bill of ₹1.75 crore which was paid (February 2023) to him based on the completion certificate issued by the JE, Dabaka MB. However, during audit (July 2023) it was found that the vendor's market at Dabaka town was lying incomplete and unused.

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<sup>33</sup> Non-Lapsable Central Pool of Resource

**Photographs showing Vendor Market, Dabaka lying incomplete without doors/ windows, grills, etc. as of July 2023.**



Audit observed the following lapses in execution of the project by the Dabaka MB:

- a) As per Clause 5 of the Contract Agreement, if the contractor desires extension on the ground of unavoidable hindrance in execution of works, the contractor shall apply in writing to the competent authority within 30 days of the date of hindrance or the ground causing hindrance.

However, from October 2015 to July 2019, the contractor neither made any communication regarding his ill health nor was any extension of time sought by him. There was also no active pursuance and intervention on the part of the MB, except for issuance of reminders on three occasions<sup>34</sup> to the contractor during February 2015 to July 2019.

- b) The agreement stipulated that the contractor would be liable to pay compensation, in case of delay in completion of work for an amount equal to one *per cent* of the estimated cost of the whole work for every day that due quantity of works remain incomplete subject to maximum 10 *per cent* of the estimated cost of the work.

Since the work remained incomplete for more than four years, the contractor was liable to pay compensation of ₹37.05 lakh<sup>35</sup>. However, the compensation for delay was not recovered from the contractor and the contractor was paid the value of executed (₹1.91 crore) works in full.

- c) Dabaka MB awarded (September 2019) the balance work<sup>36</sup> to the second contractor for ₹1.94 crore and some additional items<sup>37</sup> of work valuing ₹0.69 crore in June 2020. The second contractor submitted (June 2021) 4<sup>th</sup> and final RA Bill of ₹1.75 crore stating completion of work allotted to him. The contractor was paid (February 2023) ₹1.75 crore based on the certificate issued by JE, Dabaka MB but essential works<sup>38</sup> required to get the vendor's market operational were still to be

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<sup>34</sup> February 2015, October 2017 and June 2018

<sup>35</sup> 10 *per cent* of the estimated cost (₹370.46 lakh) as per the agreement

<sup>36</sup> Sanitary works, water supply, internal and external electrification, etc.

<sup>37</sup> Fixing of floor and wall tiles, aluminium windows, wooden doors, steel railings, RCC surface in roof slab etc.

<sup>38</sup> Fixing of floor tiles, wooden doors, aluminium windows, grills, installation of 250 KVA sub-station, external electrification etc.

executed. Joint Physical Verification (July 2023) revealed that the Vendor Market was lying idle in incomplete shape due to non-execution of essential items of work indicating weak project management and inadequate monitoring of the work on the part of Dabaka MB. In reply, Chairman, Dabaka MB stated (July 2023) that due to non-availability of funds, the contractor stopped the work leaving the project incomplete. The reply was not tenable as the contractor was paid the full amount of ₹1.75 crore against 4<sup>th</sup> and final bill submitted by him.

- d) The sanitary fittings and internal fixtures installed in the building has either got damaged or are in dilapidated condition due to prolonged non-use/ non-monitoring by the MB as shown in the photographs below:

**Photographs showing dilapidated condition of sanitary fittings installed in the building**



Consequently, the objective to provide adequate commercial facility to the citizens of the region remained unachieved even after more than eight years of scheduled date of completion (October 2015) rendering an expenditure of ₹3.66 crore on unfinished construction unfruitful. This also impacted earning of the MB, as it lost the opportunity to earn potential revenue of ₹17.64 lakh<sup>39</sup> as rent.

The matter was reported to the Government in November 2023; their reply has not been received (March 2024).

*The Government may initiate early action to complete the remaining portion of the works of the vendor market and fix appropriate responsibility upon the erring officers/officials for delay and non-completion of vendor's market for eight years.*

## 5.2 Doubtful expenditure

*The Executive Officer, Udalguri MB, made payment of ₹0.35 crore for construction of pucca drain at Assam type Market Shed without actual execution of work by the contractor by falsely recording it in the Measurement Book.*

As per terms of Rule 293 of Assam Financial Rules, the Measurement Book (MB) is to be maintained in Form No. 24 as an original record of actual measurements or counts of work done by daily labour or by the piece or by contract. The officer or subordinate

<sup>39</sup> There were 49 shops in the market, which were to be let out to the vendor on rent after completion (October 2015) @ ₹400 per month for 90 months (November 2015 to July 2023) i.e., ₹17.64 lakh.

granting such a certificate is held personally responsible for any over-payment which may result.

The Secretary, Bodoland Territorial Council accorded administrative approval (October 2019) for an amount of ₹5.70 crore for construction of boundary wall, RCC drain, shifting of existing market<sup>40</sup>, painting, furniture & fixtures, electrification and renovation of the office building at Udalguri District. Municipal Board (MB), Udalguri awarded (February 2020) the work to the lowest bidder at the tendered value of ₹5.58 crore which included construction of 250 meter long *pucca* drain with dimension of 900 mm × 1000 mm at 'Assam type Market Shed site' at the cost of ₹0.35 crore.

Scrutiny of records (May 2023) showed that an amount of ₹4.56 crore was paid to the contractor for the works carried out till April 2023 including an amount of ₹0.35 crore paid to the contractor in April 2021 for construction of *pucca* drain at Assam type Market Shed site. The work of construction of *pucca* drain was shown as executed as per the estimate in the Measurement Book by Assistant Engineer (AE), Udalguri which was also certified by the Executive Officer (EO), Udalguri, MB.

However, during Joint Physical Verification (May 2023 and August 2023) of the site at the Assam Type Market shed under Udalguri MB, it was found that construction of *pucca* drain was not carried out by the contractor as the photograph did not show any drain between the boundary wall and back walls of the market shops:



**Photo taken during further verification on 23 August 2023 at Assam type Market Shed site.**

It is evident that payment of an amount of ₹0.35 crore for construction of *pucca* drain at 'Assam type Market Shed site' was made to the contractor without execution of work at the site by falsifying the Measurement Book. Moreover, no drawing and layout of the drain was available for Audit verification.

In reply, the EO, Udalguri MB stated (October 2023) that the Deputy Commissioner, Udalguri had been requested to conduct a Magistrate level enquiry against the AE, Udalguri MB.

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<sup>40</sup> A new Assam type market shed was constructed at an adjacent location to accommodate the shop owner of the existing market where construction of multipurpose business centre is going on. The work was named as 'shifting of existing market'.

Thus, expenditure of ₹0.35 crore incurred for construction of *pucca* drain at 'Assam type Market Shed site' at Udalguri was doubtful as no work was executed at the site.

The matter was reported to the Government in November 2023; their reply has not been received (March 2024).

*The Government should fix responsibility against the erring officials and initiate action to recover the amount ₹0.35 crore from the contractor at the earliest.*



**(KUMAR ABHAY)**  
**Accountant General (Audit), Assam**

**Guwahati**  
**The 07 October 2024**

*Countersigned*



**(GIRISH CHANDRA MURMU)**  
**Comptroller and Auditor General of India**

**New Delhi**  
**The 23 October 2024**



# APPENDICES





## **Appendix-1.1**

**(Ref: Paragraph 1.1)**

**Following is the list of 29 subjects added to the 11<sup>th</sup> Schedule of the Constitution of India by the 73rd Amendment Act of 1992.**

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produces.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities
22. Markets and fairs.
23. Health and sanitation, including hospitals, primary health centres and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

**Appendix-1.2**  
**(Ref: Paragraph 1.4.1)**

**Roles and Responsibilities of Standing Committees of PRIs**

Sl. No.	Category of PRI	Political Executive	Name of Standing Committee	Responsibilities
1.	GP	President is the Chairman of each of the three committees	i) Development Committee	Functions relating to agricultural production, animal husbandry and rural industries and poverty alleviation programmes.
			ii) Social Justice Committee	(a) Promotion of educational, economic, social, cultural and other interests of Scheduled castes, Scheduled Tribes and Backward Classes; (b) protection of such castes and classes from social injustice and any form of exploitations; (c) welfare of women and children.
			iii) Social Welfare Committee	Functions in respect of education, public health, public works and other functions of the GP.
2.	AP	President is the Chairman of each committees	i) General Standing Committee	Establishment matters, communication, buildings, rural housing, relief against natural calamities, water supply and all miscellaneous residuary matters.
			ii) Finance, Audit and Planning Committee	Finance of the AP, training, budget scrutinising proposals for increase of revenue, examination of receipts and expenditure statement, consideration of all proposals affecting the finance of the AP and general supervision of the revenue and expenditure of the AP and Planning and consolidating the AP Plans, Cooperation, small saving schemes and any other function relating to the development of AP areas.
		Vice President is the Chairman	iii) Social Justice Committee	Same as in case of GP
3.	ZP	President is the Chairman of each committees	i) General Standing Committee	Same as in case of AP
			ii) Finance, Audit and Planning Committee	Same as in case of AP
		Chairman is elected amongst the elected members of each committee.	iii) Social Justice Committee	Same as in case of AP
			iv) Planning and Development Committee	Activities relating to education, adult literacy and cultural activities as the ZP may assign to it; Health Service, Hospital, Water Supply, Family, Welfare and other allied matters; agricultural production, animal husbandry co-operation, contour ["bundling"] and reclamation; village and cottage industries; Promotion of industrial development of the district.

### Appendix-1.3

(Ref: Paragraph 1.7)

#### Internal Control System at the level of PRIs

Provision	Authority	Gist of the provision
Accounts	Section 28, 60 and 97 of AP Act read Rule 8 of AP (F) Rule, 2002.	The Panchayat shall maintain such Book of Accounts and other books in relation to its Accounts.
Budget	Section 27, 59 and 96 of AP Act.	Budget proposal shall be prepared by the respective standing committees taking into account the estimated receipts and disbursement of the following year submitted to the Government for approval.
Reporting of loss due to fraud, theft or negligence	Rule 37 (iv), AP (F) Rules 2002.	To be reported by an officer authorised to inspect the documents of PRIs.
External Audit	Section 29, 61 & 98 of AP Act and Rule 37 (ii) of AP (F) Rules, 2002.	The State Government may prescribe an authority to conduct audit of accounts of PRIs.
Inspections	Section 112 of AP Act and Rule 37 of AP (F) Rules, 2002.	Government or any officer empowered by the Government may inspect any works which are being carried out by GP or AP or ZP.
Execution of works	Rule 36 and 38 of AP (F) Rules, 2002.	Procedure for execution of public works. Fixing of rates in preparation of estimates, powers of various authorities to give Technical Sanction, Invitation of tenders.
Asset Register	Rule 19 of AP (F) Rules, 2002.	To be maintained in the format prescribed under the rule.
Office Procedure Manual	NA	Not prescribed under AP Act, 1994 and AP (F) Rules, 2002.
Internal Audit	Rule 18 of AP (F) Rules, 2002.	Departmental internal auditors to conduct internal audit of PRIs.
Ombudsmen	NA	Not introduced for PRIs in Assam.
Lokayukta	NA	Applicable to all tiers of PRIs.
Citizen Charter	NA	Not introduced for PRIs in Assam.
Right to Information	As per RTI Act, 2005.	Applicable to all tiers of PRIs.
Conduct Rules	State Government.	Rules/Orders Specific to PRIs not available.
Social Audit	As per AREG Scheme 2006.	For MGNREG scheme and IAY.

## Appendix-1.4

(Ref: Paragraph 1.9.3)

### List of PRIs which did not maintain Stock Register and Register of Receipt Book during 2021-23

Sl. No.	Year of audit 2021-22	Sl. No.	Year of audit 2022-23
1.	Bardangerikuchi GP	1.	Mansiri GP
2.	Hajo GP	2.	Chandrapur GP
3.	Tukrapara GP	3.	Dumuria GP
4.	Jhanjimukh GP	4.	Ayenakhil GP
5.	Namchugi GP	5.	Sunacherra-Roopacherra GP
6.	Trilochan GP	6.	Khanamukh GP
7.	Bhogamukh GP	7.	Dewaraja GP
8.	Swahid Nagar Deka GP	8.	Barbhitha GP
9.	Kismat Kathmi GP	9.	Mogarhat GP
10.	Chintamoni GP	10.	Batgaon GP
11.	Barbheti GP	11.	Rangbak GP
12.	Madhya Sualkuchi GP	12.	Haripur GP
13.	Madhya Chowkhat Hatigarh GP	13.	Bowerghat GP
14.	Kalitakuchi GP	14.	Morabazar GP
15.	Mahtoli GP	15.	Gupteswar GP
16.	Uttar Laluk GP	16.	Dholaguri GP
17.	Jorshimulu GP	17.	Dakshin Singri GP
		18.	Barbhangia Belsiri GP
		19.	Srimanta Kanishail GP
		20.	Parbatia GP
		21.	Gobindapur GP
		22.	Dholcherra Bilaipur GP
		23.	Bashbera GP
		24.	Charing GP
		25.	Panchmail GP
		26.	Chariduar GP
		27.	Mazgaon GP
		28.	Dolabari GP
		29.	10 No. Dakshin Bahjani GP
		30.	2 No. Khata GP
		31.	Bhomoraguri GP
		32.	Baruapukhuri GP
		33.	Besseria GP
		34.	Muguria GP
		35.	38 No. Paschim Natun Dehar GP
		36.	Karimganj ZP
		37.	Hailakandi ZP
		38.	Ruposhi AP
		39.	Kakodnga AP
		40.	Sonitpur AP
		41.	Rangapara AP
		42.	Borchala AP
		43.	Borigog Bangbhag AP

**Appendix-3.1**  
**(Ref: Paragraph 3.1)**

**List of 18 subjects listed in 12<sup>th</sup> Schedule of the Constitution of India**

Sl. No.	Name of Function
1	Urban Planning including Town Planning
2	Fire Services
3	Regulation of land use and construction of building
4	Slum improvement and upgradation
5	Roads and Bridges
6	Urban Forestry, protection of the environment and promotion of ecological aspects
7	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded,
8	Vital Statistics including registration of Births and Deaths
9	Planning for economic and social development
10	Urban poverty alleviation
11	Water Supply for domestic, industrial, and commercial purposes,
12	Public Health, Sanitation, Conservancy, Solid Waste Management,
13	Provision of Urban amenities and facilities such as parks, gardens, playgrounds,
14	Promotion of cultural, educational, and aesthetic aspects.
15	Public amenities including street lighting, parking lots, bus stops and public conveniences,
16	Burials and burial grounds, crematoriums, cremation grounds, electric cremation grounds, electric crematoriums.
17	Cattle pounds, prevention of cruelty to animals.
18	Regulation of slaughterhouses and tanneries,

## Appendix-4.1

(Ref: Paragraph 4.4)

### Sample of ULBs for Audit

Selection of ULBs have been done by applying Simple Random Sampling without Replacement (SRSWOR) using IDEA software after dividing the State into five geographical regions. 11 MBs (10 *per cent* of 103 MBs) under 11 Districts have been selected for audit which includes two MBs under Autonomous District Councils area. Guwahati Municipal Corporation (GMC), being the only Municipal Corporation is also selected for the PA. Details as shown below.

#### List of the selected districts and ULBs

Name of Division	Districts	Name of ULBs	Population (as per census 2011)	No. of wards	Areas
Hills & Central Assam	East Karbi Anglong	Diphu MB	63,654	14	ADC
Lower Assam	Kokrajhar	Kokrajhar MB	34,202	10	
Barak valley	Cachar	Silchar MB	1,72,709	28	General Areas
Hills & Central Assam	Nagaon	Nagaon MB	1,16,355	26	
Lower Assam	Dhubri	Dhubri MB	61,660	16	
	Goalpara	Goalpara MB	53,455	19	
	Bongaigaon	Bongaigaon MB	68,934	25	
North Assam	Sonitpur	Tezpur MB	58,016	19	
Upper Assam	Jorhat	Jorhat MB	71,398	19	
	Dibrugarh	Dibrugarh MB	1,38,661	22	
	Tinsukia	Tinsukia MB	98,798	15	

**Appendix-4.2**  
**(Ref: Paragraph 4.9.6.3)**

**Status of Solid Waste processing plants in the selected ULBs**

Name of the ULB	Name of the plant	Number of plants	Whether operational	Remarks
<b>Bongaigaon MB</b>	Drum Composting Plant	1	Yes	-
	Organic Waste Convertor (OWC)	2	No	Machine not yet commissioned due to lack of technical support from the supplied
	Bed Composting Plant	1	Yes	-
<b>Kokrajhar MB</b>	OWC	2	No	OWC not yet installed for 799 days from the date of supply due to lack of power supply and non-construction of shed.
<b>Diphu MB</b>	OWC	2	No	Installation not done for 481 days from the date of supply order due to non-electrification of site.
<b>Silchar MB</b>	Bio Gas Plant	1	No	Abandoned for more than 3 years
	OWC	4	No	Non-functional due to technical difficulties like non-supply of electricity.
	Biomining Machine	1	No	due to lack of manpower and supporting equipment
<b>Goalpara MB</b>	OWC	2	No	Non-functional due to failure of Shredder parts and switch penal of the machines.
<b>Nagaon MB</b>	OWC	3	No	All the 3 units were lying defunct due to mechanical issues.
<b>Tezpur MB</b>	OWC	2	No	OWCs lying idle due to non-finalisation of party/ vendor for leasing out the OWCs Plant.
	Trommel Machine	1	No	Due to mechanical issues
<b>Dibrugarh MB</b>	Lekai SWM Plant	1	Yes	-
<b>Dhubri MB</b>	OWC	2	No	Installation not done for 481 days from the date of supply order.
<b>Tinsukia MB</b>	OWC	3	No	Installation and commissioning not done for 799 days from the date of supply order by the vendor due to non-connection of power supply.
	Waste Processing Plant	1	No	Installation under progress
<b>Jorhat MB</b>	Solid waste treatment Plant	1	No	Due to mechanical issues
	OWC	3	No	Not in operation due non-finalisation of third party /vendor for leasing out of OWCs.
<b>GMC</b>	Bio Methanation Plant	1	Yes	On trial basis
	OWC	1	Yes	On trial basis
	Compost/RDF plant	1	Yes	*RDF=refuse derived fuel
	<b>Total</b>	<b>36</b>		

Source: Information furnished by selected ULBs

## Appendix-4.3

(Ref: Paragraph 4.9.6.3.1)

## Details of procurement of OWCs by MD, SBM(U) for installation and commissioning in ULBs

Order no.	Sl. No.	Name of ULB	No. of OWC	Rate	Amount	Amount paid
No. SBM(U)208/2019/183 dtd.22.01.2020 (15 OWC)	1	Palasbari MB	1	1644809	1644809	1644809
	2	Bongaigaon MB	2	1644809	3289618	3289618
	3	Kokrajhar MB	1	1644809	1644809	1644809
	4	Morigaon MB	1	1644809	1644809	1644809
	5	Tezpur MB	2	1644809	3289618	3289618
	6	Tinsukia MB	3	1644809	4934427	4934427
	7	Hailakandi MB	1	1644809	1644809	1644809
	8	Silchar MB	4	1644809	6579236	6579236
<b>Total</b>			15		24672135	24672135
No. SBM(U)212/2019/Pt-III/97 dtd.05.12.2020 (40 OWC)	9	Barpeta MB	1	1368000	1368000	1368000
	10	Berpeta Road MB	1	1368000	1368000	1368000
	11	Bilasipara MB	1	1368000	1368000	1368000
	12	Bokajan MB	1	1368000	1368000	1368000
	13	Chapar MB	1	1368000	1368000	1368000
	14	Dergaon Mb	1	1368000	1368000	1368000
	15	Dhekiajuli MB	1	1368000	1368000	1368000
	16	Dhubri Mb	2	1368000	2736000	2736000
	17	Digboi Mb	1	1368000	1368000	1368000
	18	Diphu MB	2	1368000	2736000	0
	19	Doomdooma MB	1	1368000	1368000	1368000
	20	Gauripur MB	1	1368000	1368000	1368000
	21	Goalpara MB	2	1368000	2736000	2736000
	22	Golaghat MB	1	1368000	1368000	1368000
	23	Haflong MB	1	1368000	1368000	0
	24	Hojai MB	1	1368000	1368000	1368000
	25	Jorhat MB	2	1368000	2736000	2736000
	26	Kajalgaon MB	1	1368000	1368000	1368000
	27	Karimganj MB	2	1368000	2736000	0
	28	Lanka MB	1	1368000	1368000	1368000
	29	Lumding MB	1	1368000	1368000	1368000
	30	Mangaldoi MB	1	1368000	1368000	1368000
	31	Margherita MB	1	1368000	1368000	1368000
	32	Moriani MB	1	1368000	1368000	1368000
	33	N. Lakhimpur MB	2	1368000	2736000	0
	34	Nagaon MB	3	1368000	4104000	4104000
	35	Nalbari MB	1	1368000	1368000	1368000
	36	Rangia MB	1	1368000	1368000	1368000
	37	Silapathar MB	1	1368000	1368000	1368000
	38	Sivasagar MB	2	1368000	2736000	2736000
	39	Sonari MB	1	1368000	1368000	1368000
		<b>Total</b>	<b>40</b>		<b>79392135</b>	<b>45144000</b>



### Glossary of abbreviations

ADB	Asian Development Bank
AM Act	The Assam Municipal Act, 1956
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
ARC	Administrative Reform Commission
ARV	Annual rental Value
ASFC	Assam State Finance Commission
ASHB	Assam State Housing Board
AUIIP	Assam Urban Infrastructure Programme
AUWS&SB	Assam Urban Water Supply and Sewerage Board
CAA	Constitutional Amendment Act
CAG	Comptroller and Auditor General
CEO	Chief Executive Officer
CFC	Central Finance Commission
CoI	Constitution of India
DALF	Director of Audit, Local Fund
DPC	Duties, Power and Conditions of Service
DPC	District Planning Committee
GBG	General Basic Grants
GDD	Guwahati Development Department
GMC	Guwahati Municipal Corporation
GMDA	Guwahati Metropolitan Development Authority
GMDW&SB	Guwahati Metropolitan Drinking Water and Sewerage Board
GoA	Government of Assam
GPG	General Performance Grants
GSCL	Guwahati Smart City Limited
GWRA	Guwahati Water Regulatory Authority
IHSDP	Integrated Housing and Slum Development Programme
JICA	Japan International Cooperation Agency
JnNURM	Jawaharlal Nehru National Urban Renewal Mission
MA	Municipal Administration
MB	Municipal Board
MPC	Metropolitan Planning Committee
NLCPR	Non-Lapsable Central Pool of Resource
NOC	No Objection Certificate
NUIS	National Urban Information Systems
O&M	Operation and Maintenance
PA	Performance Audit
PHE	Public Health Engineering
PMAY(U)	Pradhan Mantri Awas Yojana (Urban)
PRI	Panchayati Raj Institution
PSU	Public Sector Unit
SC/ST	Scheduled Caste/Scheduled Tribe
SEC	State Election Commission
SPV	Special Purpose Vehicle
T&CP	Town And Country Planning
TC	Town Committee
ToR	Terms of Reference
UDD	Urban Development Department
UIDSSMT	Urban Infrastructure Development Scheme For Small & Medium Towns
ULB	Urban Local Bodies





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