



OVERVIEW

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This Report contains five chapters. The first and the third chapters contain an overview of the functioning, accountability mechanism and financial reporting issues of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), respectively. The second and the fourth chapters contain observations arising out of compliance audits of PRIs and ULBs, respectively. The fifth chapter contains the findings of Performance Audit on “Solid Waste Management in the Urban Local Bodies of Bihar”. A summary of the significant audit findings is presented in this overview.

Compliance Audit- Panchayati Raj Institutions

Gram Panchayat, Budhua, failed to monitor the execution of works to be financed out of Finance Commissions grants and paid ₹ 12.50 lakh to the executing agent for works which were not carried out.

(Paragraph 2.1)

Compliance Audit- Urban Local Bodies

Failure of Nagar Parishad, Saharsa, to ensure timely remittance of statutory contributions, to the Employees’ Provident Fund, resulted in an avoidable expenditure towards penalty for damages and interest charges of ₹ 1.14 crore.

(Paragraph 4.1)

Failure of Nagar Parishad, Sheikhpura, in exercising checks while making payment to a private firm, which had not participated in the tender process, for supply of Solar Power Plants (Roof Top), led to fraudulent payment of ₹ 91.14 lakh. In addition, the Nagar Parishad sustained a loss of ₹ 1.37 crore, due to irregular disqualification of an eligible firm, in the technical bid.

(Paragraph 4.2)

Performance Audit on “Solid Waste Management in the Urban Local Bodies of Bihar”

‘Solid waste’ includes solid or semi-solid domestic waste, sanitary waste, commercial waste, catering and market waste and other non-residential waste, street sweepings *etc.* The Solid Waste Management (SWM) Rules, 2016, *inter alia* enjoined (April 2016) upon Urban Local Bodies (ULBs) the duties and responsibilities of preparing a solid waste management plan; arranging for door-to-door collection of generated and segregated solid waste, from all households, commercial and other non-residential premises; prescribing and collecting user fees from waste generators; setting-up material recovery facilities for sorting of recyclable materials; and facilitating construction, operation and maintenance of solid waste processing facilities, such as composting and sanitary landfills *etc.*

The Performance Audit (PA) on ‘Solid Waste Management in the ULBs of Bihar’, for the financial years 2017-18 to 2021-2022, was conducted to assess whether the management of Municipal Solid Waste (MSW) was effective and efficient and had been carried out economically and scientifically. The audit

methodology included scrutiny of the records of 28 sampled ULBs; collection of information/data from the Urban Development & Housing Department (UD &HD) and the Bihar State Pollution Control Board (BSPCB); joint physical verification of the management of waste at different places, including at landfills; and survey of 1,408 households/shopkeepers.

According to the Ministry of Urban Development, Government of India, there are eight service level benchmark indicators for Solid Waste Management. Upto March 2022, these service level benchmarks had not been achieved by any of the sampled ULBs (except for the Darbhanga Municipal Corporation) on all the eight parameters. The correctness of the achievements of benchmarks, as reported by the test-checked ULBs to UD&HD, was not verifiable, as the ULBs had not maintained documents in support of the achievement of these benchmarks. However, the actual status, as ascertained by Audit, was observed to be below the reported status.

The low achievement of benchmarks for SWM, was mainly on account of deficient planning; non-observance of SWM Rules and the policies and strategies framed by the Government of Bihar; shortage of manpower; *etc.*

Recommendation

The UD&HD may ensure, by effective monitoring, observance of SWM rules and policy and strategy framed for SWM; maintenance of adequate and objectively verifiable documents for SWM; and achievement of the benchmarks, by ULBs.

(Paragraph 5.2)

Thirteen out of the 28 test-checked ULBs, did not have any plans for SWM. The remaining 15 ULBs had a Detailed Project Report as the plan, in which infrastructure/fund requirements had been worked out for the year 2018 only (except in case of the Patna Municipal Corporation and Gaya Municipal Corporation, where the requirements had been worked out for the year 2023 and from 2015 to 2032, respectively). Lack of planning made the ULBs vulnerable to incurring expenditure on an *ad-hoc* basis, with the expenditure being driven by the availability of funds, rather than on the basis of a need-based analysis.

The deficient planning was evidenced from the purchase of dustbins costing ₹ 19.41 crore which were distributed to households, without ensuring source segregation and subsequent processing of waste; purchase of 213 auto tippers, costing ₹ 13.65 crore, in the excess of requirements; purchase of vehicles, for ₹ 3.11 crore, which were not suitable to local conditions and remained parked for eight to 62 months; purchase of SWM equipment, for ₹ 5.24 crore, which remained unutilised; purchase of 1,100 litres dustbins, for ₹ 1.97 crore, without having requisite lifting devices; and unplanned expenditure of ₹ 4.23 crore on IEC (information, education and communication activities) activities *etc.*

Recommendation

Department may ensure that all the ULBs carry out planning for solid waste management, in the manner envisaged in the MSWM Manual. Department may ensure preparation of an effective MSWM Plan, including the current and future quality and quantity of waste, future projections and identification and analysis of gaps, for selection of appropriate systems and technologies in regard

to processing and disposal of waste. While budgeting, ULBs may ensure that inputs of citizens are obtained, through the prescribed mechanism/institutions and as per the stipulated timelines.

(Paragraph 5.4)

None of the test-checked ULBs had carried out baseline studies/surveys and ward mapping, which were pre-requisites for door-to-door collection of segregated waste. Further, the lackadaisical approach of ULBs towards source segregation was also evident from the purchase/distribution of single dustbins, non-distribution of pairs of dustbins and their parking in the municipality stores.

Only 24 *per cent* households, in the test-checked ULBs, had carried out source segregation. Mixed waste was being dumped at landfills. Waste collected from commercial places, community bins and street sweeping, was also unsegregated and was being transported to landfills/dumping sites in uncovered vehicles.

The sampled ULBs furnished a list of 2,067 vehicles, being used by them for SWM activities. Audit observed that not all the vehicles had valid registration numbers, insurance and pollution under control certificates. Plying of such vehicles on the roads, for the purposes of waste collection and management, constituted a serious violation of the relevant legal provisions.

Recommendation

ULBs may strictly ensure segregation of waste at source, door-to-door collection and segregation of recyclable waste material, either through developing deterrent measures or incentivizing segregation, in order to facilitate recycling, reusing and processing. ULBs may avoid transportation of waste without cover. They may also avoid using vehicles without registration, insurance and 'pollution under control' certificate. For collection of segregated waste, it may be ensured that the vehicles used for primary collection are containerized or partitioned, separate bag/baskets are carried for wet and dry waste, to facilitate the storage of segregated waste.

(Paragraph 5.5)

Waste was not being processed in 18 ULBs. In seven ULBs, the extent of waste processing ranged upto to 14 *per cent* only, while, in three ULBs, waste processing could not be quantified, in the absence of relevant records.

Major irregularities, in the centralized processing of waste, were noticed in the Gaya Municipal Corporation. These included (i) payment of ₹ 11.54 crore to an agency, without processing/verification of the quantity of processed waste and (ii) excess payment of ₹ 17.02 lakh, due to lack of monitoring; fraudulent claim of agency, by showing higher number of vehicle trips than actual; unrealistic entry and exit times of vehicles; and carriage of waste by non-existent/off-road vehicles.

Authorised sanitary landfill sites were not available in any of the sampled ULBs. Therefore, ULBs had chosen landfill/dumping sites as per their convenience. There were instances of serious non-observance of SWM Rules regarding disposal of waste. Contrary to the order of Hon'ble NGT, to commence legacy

waste remediation from 1 November 2019, only four out of 28 ULBs had started disposal of legacy waste.

Recommendation

ULBs may speed up the operationalisation of waste processing centres, in order to ensure that minimum waste reaches the landfills. State Government may fix the responsibility in regard to non-bio-remediation of old open dumpsites, to be conducted within the prescribed timeline and in the existing operational dumpsites for their potential of bio-mining and bio-remediation. State Government may fix the responsibility in the cases of non-adherence to the SWM Rules, for management of landfills and waste disposal.

(Paragraph 5.6)

Twenty-seven, out of the 28 test-checked ULBs, had not made any arrangements for collection of e-waste and 22 of the test-checked ULBs had not made any agreement for collection of domestic bio-medical waste. Resultantly, instances of used syringes and needles being found mixed with solid waste, were noticed in eight ULBs.

Recycling/channelization of plastic waste was not being carried out in any of the test-checked ULBs. All the plastic waste ended up at the dumping site, without any segregation and treatment. Further, the Patna Municipal Corporation failed to establish a plastic waste shredding unit, despite allotment of ₹ 5.12 crore by the Rural Works Department, due to which, subsequent use of shredded plastic waste, in road construction, could not materialize.

Recommendation

State Government may determine and fix responsibility in regard to non-segregation of bio-medical waste from other municipal waste at source and inappropriate handling of waste at collection and storage points. ULBs may ensure safe disposal of e-waste, so that they do not get mixed with municipal waste and the risks to health are averted. ULBs may make efforts towards recycling of plastic waste. ULBs may maintain records, detailing the sources from where C&D waste was collected, the quantities thereof, its disposal places and quantities thereof.

(Paragraph 5.9)

Deficient monitoring was evident from the non-existence of different institutions, viz. District Level Review and Monitoring Committees, Ward Level Committees and Subject Committees as well as deficiencies in the meetings of the Empowered Standing Committees. The test-checked ULBs had not assessed the risk from MSW and were not monitoring pollution levels (air and water quality), although this was envisaged in the SWM Rules 2016.

Short fall of designated staff, for Solid Waste Management, ranged from 90 to 100 per cent. The test-checked ULBs had not organized any capacity building training programmes for their staff and waste pickers. Further, none of the test-checked ULBs had registered waste pickers (except Darbhanga and Danapur) and only two ULBs (Danapur and Dalsingsarai Nagar Parishads) had engaged Self Help Groups of women, for recovery of recyclables.

Recommendation

ULBs may activate monitoring Committees and also strengthen their internal control mechanisms. State Pollution Control Board may fix the responsibility in regard to non-monitoring of environmental requirements for designing, disposal, treatment and processing facilities. Department may take effective measures to fill the posts of Sanitary inspector/Chief Sanitary Inspector/Safai Jamadar, Assistant Public Sanitation and Solid Waste Management Officer/Public Sanitation and Solid Waste Management Officer and Clerks, for proper SWM, in ULBs.

(Paragraph 5.10)

The other significant audit observations include absence of fund based accounting; under-recovery of user charges of ₹ 17.07 crore; avoidable expenditure of ₹ 10.29 crore, by the Patna Municipal Corporation, on hiring of earth mover machines, for waste stacking, in the absence of waste processing; expenditure of ₹ 1.25 crore on cloud server, despite availability of a free state service, made available by the Department for such purposes; avoidable expenditure of ₹ 70.89 lakh, due to delayed registration of vehicles; excess payment of ₹ 56.62 lakh on account of payment at a rate higher than the maximum retail price (MRP) by the Patna and Gaya Municipal Corporations; and avoidable payment of ₹ 23.16 lakh, towards network connectivity, to a private vendor, despite availability of the State Government (BSWAN) network, by the Patna and Gaya Municipal Corporations.

