

## Overview

This Report contains four chapters. Chapter I and II contains an overview of the functioning, accountability mechanism and financial reporting issues of the Panchayati Raj Institutions (PRIs) and the Urban Local Bodies (ULBs) respectively. Chapter III features Performance Audit Report on Solid Waste Management in Chhattisgarh and Chapter IV contains three Draft Paragraph from compliance audits of Urban Local Bodies.

The Audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of main audit findings is presented in this overview.

### **1. An Overview of the functioning, accountability mechanism and financial reporting issues of Panchayati Raj Institutions**

The devolution of funds, functions and functionaries are yet to take place in the State of Chhattisgarh. At present, the PRIs are functioning on the basis of activity mapping taken place at the time of undivided Madhya Pradesh.

Audit observed that accounts were not maintained by the PRIs in the prescribed format.

Accountant General (Audit) had audited 251 units of PRIs during the period 2016-22. In this period, a total of 2925 observations were issued out of which 1039 observations were settled. As a result, 4301 observations were outstanding as of March 2022, out of which 2415 observations pertained to period prior to 2016-17.

During 2017-18 to 2021-22 the State Government had allocated less budget to PRIs against the devolution of fund recommended by the State Finance Commissions. Further, actual fund released to PRIs was less than the budget allocated during 2017-22.

**(Paragraph 1.4, 1.5, 1.7 and 1.12.3)**

### **2. An Overview of the functioning, accountability mechanism and financial reporting issues of Urban Local Bodies**

Accountant General (Audit) had audited 137 units of ULBs during the period 2016-22. In this period total 1613 observations were issued out of which 277 observations were settled. As a result, 1862 observations were outstanding as of March 2022, out of which 526 observations pertained to period prior to 2016-17.

The share of own revenue in the total resources of the ULBs varied between 16 to 19 *per cent* during 2016-17 to 2021-22. Thus, own revenue of ULBs has remained stagnant over the period of six years.

During 2017-18 to 2021-22, the State Government has allocated less budget to ULBs against the devolution of fund recommended by the State Finance Commissions from 2017-18 to 2021-22. Actual fund released to ULB was as per

the budget allocation during 2017-22 except in 2020-21 where marginal decline was observed.

(Paragraph 2.9, 2.15.1 and 2.15.5)

### 3. Performance Audit – Urban Local Bodies

#### 3.1 Solid Waste Management in Urban Local Bodies

Government of India framed the Solid Waste Management (SWM) Rules 2016 to address the urgent need to manage the growing Municipal solid waste in a scientific manner. As per SWM Rules, 2016 “solid waste” 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 collected from the surface drains, horticulture waste, agriculture and dairy waste, treated bio-medical waste excluding industrial waste, bio-medical waste, e-waste, battery wastes and radio-active waste generated in the area under the local authorities. Out of total 169 Urban Local Bodies (ULBs) responsible for implementation of the SWM Rules 2016, in 167 local bodies, municipal solid waste management was being carried out under a State specific model known as Mission Clean City (MCC). In the remaining two ULBs, an approach of Integrated Solid Waste Management Facility (ISWMF) has been adopted for SWM in view of large quantity of waste generation. This Performance Audit was conducted with the objectives to assess whether the planning of waste management in ULBs were effective, efficient and economical; and monitoring and evaluation of waste management system including adequacy of awareness creation, citizen engagement for effecting behavioural change, complaint redressal mechanism for citizens, assessment of environmental impacts and implementation of the internal control and monitoring mechanism was adequate and effective. The Performance Audit covered audit of Urban Administration Development Department (UADD), Chhattisgarh Environment Conservation Board (CECB) and 16 selected ULBs for the period 2017-22.

During audit, it was observed that ULB specific DPR for SWM was not prepared, hence financial and infrastructural capacity assessment was not done considering the actual quantity of waste generated in each ULB. The financial management for sustainable SWM service was not ensured as the operating revenue was less than 57 *per cent* in comparison to operating expenses of SWM during last five years in the ULBs. Unplanned/ inadequate construction of material recovery facility such as Solid Liquid Resource Management (SLRM) centers and compost sheds coupled with sharing of these facility with *Godhan Nyay Yojana* (GNY) without additional infrastructure/manpower adversely affected the collection, segregation, and processing of waste in ULBs. This resulted in dumping of un-segregated waste in open areas. Audit found 12 un-authorized dumping sites in nine ULBs besides six legacy dump sites awaiting remediation. Audit observed that development/procurement of infrastructure/machines/vehicles without planning, and requirement resulted in idling of these facilities and consequent unfruitful expenditure of ₹ 369.98 lakh on inappropriate capacity development. The Information, Education and Communication (IEC) activity in the State was

mainly concentrated on promoting *Swachhata Surveykshan*, instead of intended purpose of bringing sustained behavioral change among the residents. Though State Level Advisory Board (SLAB) has been formed at the State level, neither SLAB nor Chhattisgarh Environment Conservation Board (CECB) reviewed SWM in periodical manner and thus the Annual Report of CECB sent to Central Pollution Control Board does not feature deficiencies of SWM in the State.

**(Paragraph 3.1)**

### **Good Practice**

*Nagar Palik Nigam*, Ambikapur is the only ULB performing absolute segregation at SLRM centers complying with the provisions contained in SWM Rules 2016 and MCC.

As per the said model, the collected solid waste is processed further to prepare compost. Inorganic soft plastic such as plastic bags (white and coloured), packing materials *etc.*, are shredded, washed, and dried for making pellets and sold to the recycler.

**(Paragraph 3.4.2.2(b))**

## **4. Compliance Audit – Urban Local Bodies**

This chapter comprises three Audit Paragraphs pertaining to Urban Local Bodies.

Undue financial benefit of ₹1.54 crore extended to colonizer as the land transferred for EWS at alternate site was of lesser value.

**(Paragraph 4.1)**

Short recovery of fee of ₹ 75.77 lakh from three colonizers in lieu of land due to application of incorrect rate of land by Municipal Corporation, Korba.

**(Paragraph 4.2)**

Municipal Corporation, Korba had made payment to contractor at higher rate applicable for Pre-Cast Concrete pipes while Pre-stressed Cement Concrete pipes were used by him in work resulting in excess payment of ₹ 7.88 crore. Though payment was recovered at the instance of Audit, no action has been initiated to fix responsibility of the officials involved in sanctioning and making payment at higher rates.

**(Paragraph 4.3)**

## **5. Recommendations**

1. *State Government should take steps for capacity building at the functional levels of the local bodies.*

**(Chapter-II)**

2. *The State Government should ensure preparation of ULB specific Detailed Project Report based on household survey and periodically update data for gap filling in financial and infrastructure requirement.*

3. *Responsibility may be fixed for parking of fund (₹ 2369.20 lakh) from State Budget into separate account by UADD.*
4. *The Department should instruct ULBs to keep account of receipts collected and expenses incurred for SWM activities to ascertain the sustainability of SWM. Proper demand and collection register for user charges may also be maintained.*
5. *ULBs should develop a regular system of health check-up of the Self Help Group (SHG) members, in consideration of all probable health hazards involved with waste handling.*
6. *All Urban Local Bodies should also ensure proper secondary segregation at SLRM center through appropriate monitoring of activities of SHG members.*
7. *The Government should recognize all the existing dumpsite in the State and make necessary arrangements for remediation.*
8. *The State Government should consider for establishment of Regional Landfill for disposal of inert /waste from drain cleaning and other residual waste left beyond maximum segregation and processing.*
9. *The State Government should ensure capacity development for SWM such as SLRM centers, compost sheds, vehicles, tools, human resource etc. as per ULB specific requirement and operationalisation of developed capacity for SWM.*
10. *The State Government should issue instruction to the Department for installation of weigh bridges for measuring waste collected and ensure recording of data of waste collected at ULBs.*
11. *The State Government should prepare centralized strategic plan for Information Education and Communication activities, focusing on sustainable behavior change of all stake holders.*

**(Chapter-III)**