

CHAPTER - V

PERFORMANCE AUDIT OF “RELEASE & UTILISATION OF TWELFTH FINANCE COMMISSION (TFC) GRANT BY THE ULBS IN THE STATE OF BIHAR DURING 2005-10”

Highlights

- *In eight ULBs, ₹ 68.22 lakh was misutilised on purchase of walky-talky, biometric attendance machine and maintenance of office/municipal building etc. though not permissible under the guidelines.*
(Paragraph – 5.6.2)
- *Grants of ₹ 30.12 lakh released to four ULBs during 2009-10 lapsed due to delayed receipt by respective ULBs.*
(Paragraph – 5.7.2)
- *Despite expenditure of ₹ 58.72 lakh in 11 ULBs under e-governance, neither database was created nor accounts were maintained in computerised system.*
(Paragraph - 5.8)
- *State Government submitted utilisation certificate of ₹ 127.80 crore to Finance Department, Government of India just after its release which was not realistic.*
(Paragraph - 5.10)

5.1. Introduction

The TFC was required to make recommendations on the measures needed to augment the Consolidated Funds of the States to supplement the resources of the Panchayats and ULBs on the basis of the recommendations of the SFCs.

The objective of the Local Body Grants Scheme was;

- (i) to improve the service delivery in respect of water supply and sanitation,
- (ii) to create database and maintain the accounts at the grass root level and
- (iii) to stress the importance of public private partnership to enhance service delivery of Solid Waste Management (SWM) services in the urban areas.

The states may require ULBs (Town of over one lakh population as per 2001 census) to prepare comprehensive schemes including composting and waste to energy programmes to be undertaken in the private sector for appropriate funding from the grants recommended by the TFC. At least 50 *per cent* of the grants

should be earmarked for this purpose *i.e.* for Solid Waste Management and remaining 50 *per cent* of the grants should be for capacity building of City Managers (one *per cent*), e-governance which will include maintenance of accounts and creation of database (one to three *per cent*) and provision of Civic amenities viz. Drinking water, Road Construction, Drain Construction and Street lighting (46 to 48 *per cent*). The allocation amongst various ULBs would be made by the State. The ULBs should concentrate on collection, segregation and transportation of solid waste. The cost of these activities whether carried out in house or outsourced could be met from the grants.

5.2 Audit Objectives

The audit objectives were to assess whether;

- Adequate funds were released in time by the State Government to ULBs;
- ULBs prepared comprehensive schemes including composting and waste to energy programmes in public-private partnership to enhance service delivery of SWM services;
- Grants earmarked for different purposes were utilised in an economic, efficient and effective manner;
- High priority was given for creation of data base and maintenance of accounts at the grass root level;
- Utilisation Certificates were realistic and reliable;
- The monitoring system was adequate and effective;
- Infrastructure created was effectively utilised.

5.3 Audit Criteria

The audit criteria used to evaluate the utilisation of grants were -

- Guidelines for Release and Utilisation of Grants recommended by the TFC for ULB;
- Municipal Solid Waste (Management and Handling) Rules, 2000;
- Bihar Financial Rules (BFR);
- Bihar Public Works Code (Account & Department);

- Grants Release order & Guidelines issued by the State Government from time to time;
- Bihar Municipal Accounts Rules, 1928.

5.4 Scope of Audit & Methodology

Performance audit of release and utilisation of TFC grants (2005-10) of ULBs was conducted through test check of records in the UD & HD and Finance Department, Government of Bihar and 28⁵ ULBs (three Nagar Nigams, Nine Nagar Parishads and 16 Nagar Panchayats) between January 2011 and June 2011⁶. The ULBs were selected by applying Simple Random Sampling without Replacement (SRSWOR) method apart from PMC.

An entry and exit Conference was held on 07/01/2011 and 17/10/2012 respectively with Principal Secretary, UD&HD in which audit objectives, criteria and methodology were explained. The performance audit was undertaken under section 14 of DPC Act, 1971, LFA Act, 1925 and para 7 of the Guidelines of TFC.

5.5 Audit Findings

5.5.1 Planning

Guidelines of TFC stipulated for preparation of comprehensive schemes including composting and waste to energy programmes to be undertaken in the private sector for appropriate funding from the grants of TFC by those Municipalities of town having more than one lakh population as per 2001 census. State Government had also directed all heads of ULBs of Grade - 1 city to prepare comprehensive

⁵ NAGAR NIGAM - Darbhanga, Muzaffarpur, Patna. NAGAR PARISHAD - Bhabhua, Chappra, Hajipur, Jamui, Jehanabad, Khagaria, Saharsa, Samastipur & Sheikpura. NAGAR PANCHAYAT - Barahiya, Belsand, Dalsingsarai, Dhaka, Dighwara, Forbesganj, Jhanjharpur, Kahalgaon, Maharajganj, Naugachhiya, Nokha, Piro, Sonapur, Sugauli, Thakurganj, Warsaliganj.

⁶ 19/01/2011 to 21/02/2011, 11/03/2011 to 16/04/2011 & 16/05/2011 to 11/06/2011.

schemes in the beginning and the last stage of the programme. 50 *per cent* of the grants were earmarked for the scheme *i.e.* for SWM through public- private partnership. The Municipalities were to concentrate on collection, segregation and transportation of solid waste. The cost of these activities carried out in house or outsourced could be met from the grants.

However, it was seen in the audit of selected ULBs that no comprehensive plan / scheme for the management of SWM was prepared and passed. The department replied that a circular would be issued regarding preparation of comprehensive plan by the ULBs.

5.6 Financial Management

5.6.1 Funding Pattern

The TFC had recommended grants to States for ULBs amounting to ₹ 5,000 crore payable during the period 2005-10. In this allocation, share of Bihar was 2.84 *per cent i.e.* ₹ 142 crore which was to be released in terms of annual allocation of ₹ 28.40 crore per year in two equal instalments in July and January every year. States have to mandatorily transfer the grants released by the Centre to the ULBs within 15 days of the same being credited to the States account. In cases of delayed transfer of grants to ULBs beyond the specified period of 15 days, the State Government shall transfer amount of interest at the rate equal to the RBI Bank rate along with such delayed transfer of grants to ULBs.

5.6.2 Utilisation of Funds

Funds provided by Government of India and released by State Government to ULBs and expenditure during the year 2005-10 under TFC Grants were as following:-

Table- 20
Release and Utilisation of TFC Grant

(₹ in Crore)

Year	Funds Released by the GOI to GOB	Funds Released by GOB to ULBS	Opening Balance	Total	Expenditure / Utilization	Closing Balance	Percentage of Saving
2005-06	14.20	28.40	NIL	28.40	NIL	28.40	100
2006-07	28.40	14.20	28.40	42.60	42.60	NIL	NIL
2007-08	28.40	42.60	NIL	42.60	28.90	13.70	32
2008-09	14.20	0.45	13.70	14.15	NIL	14.15	100
2009-10	56.80	56.35	14.15	70.50	56.30	14.20	20
Total	142.00	142.00	-----	----	127.80	14.20	

(Source:- Urban Development & Housing Department)

The analysis of the above table and scrutiny of records showed that

- During 2005-06 and 2007-08 Government of Bihar released more funds than the funds released by Government of India.
- Un-utilised funds ranged between 20 per cent and 100 per cent and in last year 2009-10 funds amounting to ₹ 14.20 crore were not utilised.

The details of available funds and expenditure incurred in test checked 28 ULBs during 2005-10 were as follows: -

Table- 21

Details of Available Funds and Expenditure

(₹ in Crore)

Year	Opening Balance	Funds Received from State Government	Total	Expenditure /Utilisation	Closing Balance	Percentage of Saving
2005-06	Nil	7.09	7.09	2.71	4.38	62
2006-07	4.38	7.77	12.15	6.98	5.17	43
2007-08	5.17	7.85	13.02	8.14	4.88	37
2008-09	4.88	6.36	11.24	3.68	7.56	67
2009-10	7.56	17.19	24.75	6.73	18.02	73
Total		46.26		28.24	18.02	39

(Source :- Test Checked ULBs Offices)

The analysis of data in the table and test check of records disclosed that:

- The total utilisation of funds was 61 *per cent*.
- In eight⁷ ULBs, ₹ 68.22 lakh was misutilised on purchase of Walky Talky, Biometric Attendance Machine and maintenance of office/Municipal Building *etc.* which were not permissible under the guidelines. The department replied that the matter would be looked into.
- Nine⁸ ULBs diverted funds of ₹ 40.74 lakh from the earmarked fund of SWM to other scheme/ works/ equipment during 2005-10. The funds so diverted were not recouped as of March 2010.

5.7 Release of Grants

5.7.1 Delayed Release of Grants by the State Government to ULBs

As per guidelines of the TFC for release and utilisation of grants to ULBs, States have to mandatorily transfer the grants released by the Centre to the ULBs within 15 days of the same being credited to the State's account. In case of delayed transfer to ULBs beyond the specified period of 15 days the State Government shall transfer to ULB amount of interest at the rate equal to the RBI Bank Rate along with such delayed transfer of grants.

Scrutiny of receipts vis-a-vis release of the grant by the State Government revealed that on six occasions release of Grants was delayed from 18 to 218 days but no interest amount was transferred to ULBs account at the RBI Bank rate of six *per cent* for the delayed period leading to loss of ₹ 1.10 crore to the ULBs.

Details are as follows: -

⁷ Darbhanga MC (₹ 20.98 lakh), Dhaka Nagar Panchayat (₹ 3.17 lakh), Muzaffarpur MC (₹ 0.85 lakh), Patna MC (₹ 38.83 lakh), Saharsa Nagar Parishad (₹ 1.45 lakh), Shekhpura Nagar Parishad (₹ 0.51 lakh), Sonapur Nagar Panchayat (₹ 0.28 lakh) and Warsaliganj Nagar Panchayat (₹ 2.15 lakh)

⁸ Dighwara Nagar Panchayat (₹ 2.98 lakh), Hajipur Nagar Parishad (₹ 3.53 lakh), Jehanabad Nagar Parishad (₹ 12.44 lakh), Kahalgaon Nagar Panchayat (₹ 1.50 lakh), Muzaffarpur MC (₹ 3.35 lakh), Naugachhiya Nagar Panchayat (₹ 1.55 lakh), Sonapur Nagar Panchayat (₹ 3.69 lakh), Sugauli Nagar Panchayat (₹ 2.21 lakh) and Warsaliganj Nagar Panchayat (₹ 9.49 lakh).

Table- 22

Delayed Release and Non-Transfer of Interest Amount to ULBs

(₹ in Crore)

Sl. No.	Particular of Release of Grants by G.O.I	Amount	Particular of Release of Grants by GOB	Amount	Delay (days)	Interest at RBI Bank rate
1	Letter No.12/2007-08 OF MOF. Govt. of India date 03/09/2007	14.20	(i) Letter No. 572 of UD & HD dt. 5/10/2007	0.20	18	0.0006
			(ii) Letter No. 5674 of UD & HD Dt. 19/12/2007	14.00	92	0.2117
2	Letter No. 13/2009-10 of MOF Govt. of India Dt. 27/07/2009	42.60	(i) Letter No. 117 of UD & HD Dt. 10/09/2009	13.75	30	0.0678
			(ii) Letter No. 118 of UD & HD Dt. 10/09/2009	6.388	30	0.0315
			(iii) Letter No. 27 of UD & HD Dt. 17/03/2010	7.812	218	0.2799
			(iv) Letter No 28 of UD & HD Dt. 17/03/2010	14.20	218	0.5087
Total		56.80		56.35		1.1002

5.7.2 Grants Lapsed due to Delayed Receipt

Grants of ₹ 30.12 lakh released to four ULBs namely Belsand (₹ 3.37 lakh), Jamui (₹ 13.30 lakh), Barahiya (₹ 7.53 lakh) and Warsaliganj (₹ 5.92 lakh) by the State Government on 25/03/2010 could not be credited into their account and lapsed due to delayed receipt by the respective ULBs.

The release orders were issued in last week of financial year leading to lapse of grants and unit were deprived of the benefit of ₹ 30.12 lakh. The department replied that such incidences would not reoccur in future.

5.8 Execution of Schemes

On the recommendation of TFC, Government of India released the grants of ₹ 142 crore to Bihar Government for execution of different schemes in ULBs of Bihar. The Bihar Government released the grants to their ULBs accordingly with

instructions to utilise the grants in four sectors. The utilisation of grants in 28 ULBs were as follows:

Table – 23
Utilisation of Grants by ULBs

(₹ in Crore)

Sl. No.	Sector	Total Available Grants 2005-10	Total Expenditure 2005-10	Balance 2005-10	Percentage of Saving
1	S.W.M (50 per cent) Solid Waste Management	23.13	11.51	11.62	50
2	E-Governance (Creation of Data base and maintenance of a/cs)	1.39	0.59	0.8	58
3	Capacity Building of City manager (One per cent)	0.46	0.02	0.44	96
4	Civic Amenities	21.28	16.12	5.16	24
Total		46.26	28.24	18.02	39

(Source: Test checked ULBs offices)

(i) Solid Waste Management (SWM)

The Government of India, Ministry of Forest and Environment has notified Municipal Solid Waste (Management and Handling) Rules, 2000 under which rules have been framed for management of the municipal solid waste.

- In 28 test checked ULBs total grants in SWM was ₹ 23.13 crore out of which only ₹ 11.51 crore was spent leaving ₹ 11.62 crore unutilised.
- Schemes of Composting and Waste to Energy Programme were to be undertaken in the private sector for appropriate funding from the grants of TFC but no such scheme was undertaken in any test checked ULB which defeated the very purpose of TFC for S.W.M.

In disregard to the guidelines,

- 16⁹ ULBs (test checked) had utilised ₹ 6.94 crore for payment of labour contract bill/sanitation bills and Fuel bills engaged in transportation of Solid Waste Management which was a day to day activity of the ULBs.
- Seven¹⁰ test checked ULBs had incurred expenditure of ₹ 84.01 lakh on miscellaneous head such as purchase of land, construction of dustbin, advertisement etc. which was not permissible as per guidelines of Twelfth Finance Commission. Thus the expenditure on miscellaneous head was not justified.

(ii) e-Governance.

The TFC recommended for high priority of expenditure on creation of database and maintenance of accounts through the use of modern technology and management systems, wherever possible. In all test checked ULBs it was observed that –

- Only 42 *per cent* fund was utilised which was much less than the requirement.
- 17¹¹ ULBs did not utilise the fund and no database was created in the ULBs
- Despite expenditure of ₹ 59.13 lakh in 11¹² ULBs over purchase of computer, laptop, wages to operator etc. under e-governance, neither database was created nor accounts were maintained in computerised system which defeated the very purpose of the TFC grants.

⁹ Barahiya NP (₹ 0.58 lakh), Bhabua NP (₹ 0.04 lakh), Chappra NP (₹ 57.08 lakh), Dalsingsarai NP (₹ 3.90 lakh), Darbhanga NP (₹ 10.73 lakh), Dighwara NP (₹ 1.32 lakh), Hajipur NP (₹ 2.27 lakh), Jamui NP (₹ 10.58 lakh), Jehanabad NP (₹ 11.20 lakh), Jhanjharpur NP (₹ 2.25 lakh), Kahalgaon NP (₹ 18.10 lakh), Nokha (₹ 0.65 lakh), Patna MC (₹ 561.12 lakh), Piro (₹ 1.30 lakh), Rafiganj NP (₹ 4.38 lakh), Warsaliganj NP (₹ 8.51 lakh).

¹⁰ Patna Nagar Nigam (₹ 32.22 lakh), Muzaffarpur Nagar Nigam (₹ 34.81 lakh), Darbhanga Nagar Nigam (₹ 4.29 lakh), Jhanjharpur Nagar Panchayat (₹ 0.72 lakh), Thakurganj Nagar Panchayat (₹ 1.35 lakh), Nokha Nagar Panchayat (₹ 0.38 lakh), Piro Nagar Panchayat (₹ 10.24 lakh)

¹¹ Baraiya NP, Belsand NP, Chapra NP, Dhaka NP, Dighwara NP, Hajipur NP, Jhanjharpur NP, Naugachiya NP, Nokha NP, Piro NP, Saharsa NP, Samastipur NP, Shekhpura NP, Sonapur NP, Sugauli NP, Thakurganj NP, Warsaliganj NP

¹² Patna (₹ 42.00 lakh), Muzaffarpur (₹ 5.39 lakh), Darbhanga (₹ 5.85 lakh), Jamui (₹ 1.08 lakh), Jehanabad (₹ 0.29 lakh), Bhabhua (₹ 0.31 lakh), Khagaria (₹ 1.90 lakh), Maharajganj (₹ 0.63 lakh), Rafiganj (₹ 0.82 lakh), Dalsinghsarai (₹ 0.68 lakh), Kahalgaon (₹ 0.18 lakh)

- In Five¹³ ULBs funds were not utilised due to non-approval of projects regarding e-governance by the Municipal Board.

(iii) Capacity Building of the City Managers:-

As per the guidelines of the TFC one *per cent* of the fund was to be earmarked for capacity building of the city managers.

- In 28 test checked ULBs, ₹ 46 lakh was earmarked for capacity building of city managers but only ₹ 2 lakh was utilised leaving unspent balance of ₹ 44 lakh *i.e.* 96 *per cent* of the fund remained unutilised.
- Out of 28 test checked ULBs, 25¹⁴ ULBs did not spend any fund in capacity building of the city managers.

The department replied that a circular would be issued regarding preparation of comprehensive plan by the ULBs and regular training classes and feedbacks would be given to the city managers for capacity building.

5.8.1 Wasteful Expenditure on Abandoned / Incomplete Schemes - ₹ 11.49 Lakh

As per Bihar P.W.A. Code resolution no. 9 (4.5), civil works should be started after clearance of land, sanction of estimates, administrative approval and fund provision. In seven¹⁵ test checked ULBs, 13 schemes were abandoned due to land dispute, one scheme due to controversy regarding site selection and another six schemes due to seizure of records by District Administration/S.D.O. and four schemes remained incomplete, resulting in wasteful expenditure of ₹ 11.49 lakh.

¹³ Baraiya NP, Belsand NP, Kahalgaon NP, Naugachiya NP, Thakurganj NP.

¹⁴ NAGAR NIGAM – Darbhanga, NAGAR PARISHAD – Chhapra, Hajipur, Jamui, Jehanabad, Khagaria, Saharsa, Samastipur & Sheikhpura. NAGAR PANCHAYAT – Barahiya, Belsand, Dalsinghsarai, Dhaka, Dighwara, Forbesganj, Jhanjharpur, Kagalgaon, Maharajganj, Naugachhiya, Nokha, Piro, Sonapur, Sugauli, Thakurganj, Warsaliganj.

¹⁵ Patna (₹2.40 lakh), Hajipur (₹0.30 lakh), Jehanabad (₹0.17 lakh), Saharsa (₹1.01 lakh), Digwara (₹5.95 lakh), Maharajganj (₹0.50 lakh), Warsaliganj (₹1.16 lakh)

5.8.2 Outstanding Advances - ₹ 24.73 Lakh

In Seven¹⁶ out of 28 test checked ULBs it was seen that ₹ 24.73 lakh was given as advances to nine Government officials (Three JEs, one AE, one Accountant, one Sanitary Inspector, one Cashier, one Tax Daroga and one Safai Jamadar) for execution of schemes etc. The advances were pending for adjustment till June 2011 (**Appendix- XI**). The department assured of recovery of unadjusted advance.

5.9 Other Points

5.9.1 Idle Investment on Machine

Without assessing the immediate requirement, a Mobile Jetting Machine worth ₹ 9.50 lakh was purchased in Muzaffarpur Municipal Corporation and a Pay Loader worth ₹ 4.25 lakh was purchased in Dhaka Nagar Panchayat which is lying idle in the ULBs. The department replied that inter-municipality hiring of vehicles is being mooted so as to have a judicious use of resources and preventing them from lying idle.

5.9.2 Purchase at Higher Rate

As per Rule 131 (I) of Bihar Financial Rules limited tender enquiry may be adopted but it was seen that in two¹⁷ ULBs purchase order for supply of CFL bulbs (85 watt) with set were issued to higher bidder ignoring the rate of lowest bidder, thus, procurement at higher rate resulted in loss of ₹ 10.95 lakh to the ULBs. The department replied that action would be taken in this regard.

¹⁶*Thakurganj Nagar Panchayat (₹ 0.15 lakh), Saharsa Nagar Parishad (₹ 1.05 lakh), Samastipur Nagar Parishad (₹ 9.5 lakh), Darbhanga Nagar Nigam (₹ 1.20 lakh), Jamui Nagar Parishad (₹ 0.58), Chhapra Nagar Parishad (₹ 12.00 lakh), Dighwara Nagar Panchayat (₹ 0.25 lakh).*

¹⁷*Darbhanga Nagar Nigam (₹ 7.81 lakh) and Khagaria Nagar Parishad (₹ 3.15 lakh)*

5.10 Utilisation Certificates

As per the guidelines of TFC and State Government, each ULB was required to submit utilisation certificate to the State Government by 15 February. In test checked ULBs deficiencies were noticed in utilisation certificates as discussed below: -

(a) Non Submission of Utilisation Certificates

In 20 ULBs out of test checked 28 ULBs, the actual utilisation of funds were ₹ 23.41 crore where as utilisations were shown as ₹ 16.22 crore as per utilisation certificate leading to exhibition of short utilisation of ₹ 7.19 crore as on 31/03/2010 (Appendix- XII).

(b) Inflated utilisation certificate

Test check of utilisation certificates of five ULBs revealed incorrect information of ₹ 87.05 lakh as detailed below: -

Table No. 24
Inflated Utilisation Certificate

(Amount in ₹)

Sl.No.	Name of ULB	Letter No. of U.C.	Amount for which U.C. furnished	Actual expenditure incurred as per Cash Book	Excess for which U.C. furnished
1	Bhabhua NP	381 dt. 30/07/2007	1564380	1096916	467464
2	Jehanabad NP	10 dt. 17/01/2007	3886941	2832654	1054287
3	Maharajganj NP	50 dt. 09/03/2007	578225	277500	300725
4	Hazipur NP	1694 dt. 09/11/2009	9241159	4324352	4916807
5	Sugauli NP	282 dt. 22/03/2010	4553382	2587267	1966115
Total			19824087	11118689	8705398

(c) Un-realistic utilisation certificate

State Government submitted (March 2010) utilisation certificate of ₹ 127.80 crore to Ministry of Finance, Government of India just after release of fund to different ULBs, which was not realistic because the fund was simply transferred to different ULBs rather made expenditure.

In respect of the above mentioned points the department assured of better and realistic utilisation of grants before furnishing utilisation certificates to the grant sanction authority.

5.11 Monitoring

Every state would constitute a High Level Committee (HLC) to ensure proper utilisation of Local Bodies Grants. The HLC comprising the Chief Secretary of the State Government as head and the Finance Secretary and the Secretary of concerned department as members, was responsible for the following:-

(i) Approval of the projects, quantify the targets, both in physical & financial terms and lay down a time table for achievement of specific milestones.

(ii) Monitoring both physical and financial targets and ensuring adherence to the specific conditional ties in respect of each grant, wherever applicable.

Further, the HLC would meet at least once in every quarter to review the utilisation of grants and to issue directions for mid course corrections, if considered necessary.

Though the Chief Secretary convened 16 meetings of HLC for review of utilisation of the T.F.C. grant during 2005-10 but Physical and Financial targets were not monitored, targets were not quantified for which HLC was responsible. The HLC only stressed for furnishing utilisation certificate and failed to monitor the utilisation of grants in proper way. State Government too did not monitor the work of the ULBs and the ULBs also did not furnish any comprehensive schemes to the State Government.

Thus due to lack of proper monitoring by the HLC as well as State Government most of the Grant were not utilised within such long period of five years.

The department said that regular meetings are now being held to make everyone accountable. Districts are being allocated among the officers to have a better monitoring mechanism. Physical and financial targets are being monitored. Also, compliance to audit reports would be treated as an item of monitoring.

5.12 Action Taken by the State Government on Earlier Examiner's Reports

It was mentioned in Para 2.3.1.3 and 5.5 of Report of the Examiner of Local Accounts, Bihar for the year 2006-07 and Para no. 2.9 and 5.8 of the year 2007-08 regarding utilisation of the TFC grant. The reports were submitted to the Government of Bihar on 20 October 2008 and 6 October 2009 respectively.

The system deficiencies pointed out in the earlier Reports of the Examiner of Local Accounts, Bihar such as diversion of funds, incomplete /abandoned schemes, nil expenditure under SWM, E-Governance in many ULBs of the State persisted up to March 2010.

5.13 Conclusion

There was substantial shortfall in utilisation of Twelfth Finance Commission Grants every year besides diversion of funds to other non specified works. Major portion of the grants remained unutilised. The waste processing facilities and landfill sites did not exist; as a result, open dumping was done in all the test checked ULBs. Despite availability of funds, creation of data base and computerisation of accounting were not done even after lapse of grant period. Irregularities in utilisation of grants and diversion of funds were also noticed. Ward wise distribution of grants for selection of scheme to that extent was also noticed which was irregular.

5.14 Recommendations

The Solid Waste (Management and Handling) Rules, 2000 with regard to segregation of waste, storage, transportation, processing and disposal should be fully complied with.

- High Level Committee after regular review should ensure immediate full utilisation of unutilised grant in proper way.
- Creation of database and computerisation of accounting should be ensured with the remaining fund.
- Optimum utilisation of the assets created and its proper maintenance should be ensured.
- Installment of grants released to the ULBs but could not be credited in concerned ULB's account and lapsed should be immediately released.