

## **CHAPTER-IV**

### **Compliance Audit Paragraphs Urban Local Body (Aizawl Municipal Corporation)**



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### COMPLIANCE AUDIT PARAGRAPHS URBAN LOCAL BODY (AIZAWL MUNICIPAL CORPORATION)

#### SOLID WASTE MANAGEMENT BY AIZAWL MUNICIPAL CORPORATION

##### 4.1 Introduction

The State Government had framed the Solid Waste Management Rules, 2016 applicable to every urban local body, outgrowths in urban agglomerations, census towns, *etc.* The Rules envisage duties of various bodies and authorities<sup>1</sup>.

The Mizoram Urban Sanitation and Solid Waste Management Policy, 2011 was framed by AMC with the objective of:-

- (a) providing directions for carrying out sanitation and solid waste management activities in a manner which is not just environmentally, socially and financially sustainable but also economically viable.
- (b) establishing an integrated and self-contained operating framework for Urban Sanitation and Solid Waste Management, which would include the development of appropriate means and technologies to handle various waste management activities.
- (c) enhancing the ability of the Government functionaries/ ULB/ local authorities to provide effective waste management services to their citizens.
- (d) providing at least basic sanitation services to every urban dweller.

##### 4.1.1 Audit objectives

The Audit was conducted to assess whether-

- The Aizawl Municipal Corporation followed the Rules for collection, transportation, segregation, storage, processing and disposal of solid wastes;
- User charges were collected timely and properly accounted for by the AMC; and
- Effective monitoring and evaluation system for solid waste management was in place.

##### 4.1.2 Audit criteria

The criteria used for framing comments were-

- The Mizoram Urban Sanitation and Solid Waste Management Policy;
- Solid Waste Management Rules, 2016;
- Office orders and circulars;
- The Mizoram Municipalities Act, 2007;

<sup>1</sup> Waste generators, Ministries, Secretaries, District Magistrates or District Collectors or Deputy Commissioners and Local Bodies

- Government circulars and orders; and
- General Financial Rules and Receipt and Payment Rules.

### 4.1.3 Audit coverage and methodology

The audit of Solid Waste Management of Aizawl Municipal Corporation (AMC) for the period 2012-17 was conducted between October and November 2017. The methodology of audit involved test-check of the records, collection of documentary evidences, issue of audit queries/ observations, obtaining replies and joint inspection, *etc.*

### 4.1.4 Audit findings

#### 4.1.4.1 Source of funds

The Aizawl Municipal Corporation has set aside a separate budget provision for Solid Waste Management (SWM) within the municipality. The main source of fund for SWM is the General Basic Grants and General Performance Grants received from Government of India under Central Finance Commission devolution. The Solid Waste Management is done in a Public Private Partnership mode. The funding is shared in the ratio of 80:20 between the AMC and the general public. It was observed in audit that though the user charges were collected by the AMC through the Local Councils, the accounts of the public contribution in the form of user charges were not accounted for by the AMC. Hence the actual amount collected from the public could not be ascertained in audit. The details of expenditure during 2012-17 have been given in the Table-4.1:

**Table-4.1:- Yearwise funds received and expenditure during the period 2012-17**

(₹ in lakh)					
Year	Opening Balance	Fund received during the year	Total Fund available	Expenditure	Closing balance
2012-13	0.52	396.50	397.02	308.42	88.60
2013-14	88.60	360.91	449.51	533.30	(-) 83.79
2014-15	(-) 83.79	408.22	324.43	353.47	(-) 29.22
2015-16	(-) 29.22	476.75	447.53	365.19	82.34
2016-17	82.34	319.00	401.52	386.77	14.75
<b>Total</b>		<b>1,961.38</b>	<b>2,020.01</b>	<b>1,947.15</b>	

Source: AMC's records

In the absence of details, the source of fund from which expenditure was incurred in excess of available fund during 2013-14 and 2014-15 could not be ascertained in audit.

Besides, under the capital head, construction of Solid Waste Management System for Aizawl project is being executed by the State Investment Programme Management and Implementation Unit (SIPMIU) under Asian Development Bank (ADB) assisted project which is expected to

be commissioned by 2019. However, the expenditure incurred by SIPMIU was not available with the AMC.

The Government stated (May 2018) that the funding is shared in the ratio of 80:20 between the AMC and the general public. The reply of the Government was not acceptable as the contribution of 20 *per cent* public share was calculated on the basis of recorded expenditure but not on the actual contribution collected by the AMC from the public.

#### 4.1.4.2 Status of delivery of services

Benchmarking is an important mechanism for introducing accountability in the service delivery. It involves measuring and monitoring of performance of the service provider on a systematic and continuous basis. As prescribed under Chapter 9.110(xi) of the Report and Recommendations of Fourteenth Finance Commission, the Service Level Bench Marking (SLB) covering water supply, sanitation, solid waste management and storm water drainage was done by the AMC. The achievement of SLB under Solid Waste Management during 2016-17 as intimated by AMC is given in the following table:

**Table-4.2:- Achievement of SLB under Solid Waste Management during 2016-17**

Sl. No.	Proposed indicator	Bench mark (per cent)	Baseline level (per cent)	Target for 2016-17 (per cent)	Current level (per cent)	Percentage of achievement
1.	Household level coverage of solid waste management services	100	70	86	86	100
2.	Efficiency of collection of municipal solid waste	100	60	81	85	105
3.	Extent of segregation of municipal solid waste	100	0	1	1	100
4.	Extent of municipal solid waste recovered	80	0	5.5	5.5	100
5.	Extent of scientific disposal of municipal solid waste	100	0	1	1	100
6.	Efficiency in redressal of customer complaints	80	60	67	67	100
7.	Extent of cost recovery in SWM services	100	10	25	20	80

Source: Service Level Benchmark notified for the year 2016-17 and 2017-18 by the State Level Benchmark Cell, GoM

It is observed from the table that AMC had fixed the target for different indicators far below the benchmark set by itself. AMC achieved its target with regard to segregation of solid waste and scientific disposal of solid waste at the level of only one *per cent* against the benchmark of 100 *per cent*. Similarly, targets set for extent of municipal solid waste recovered and cost recovery in SWM services of 5.5 *per cent* and 20 *per cent* respectively had been achieved for the extent of Solid Waste recovered only. These clearly indicate that AMC had not accorded

due importance to each indicator to ensure rendering effective service towards Solid Waste Management.

On this being pointed out, the Government did not offer specific comments.

#### ***4.1.4.3 Assessment of generation of solid waste***

To achieve the benchmark fixed by the Ministry of Urban Development for household level coverage/ efficiency in collection of solid waste, the quantity of solid waste generated daily in municipal areas, the quantum of each delivery service was required to be assessed properly.

According to the Solid Waste Management Rules, 2016, the Municipalities are required to furnish annual reports on SWM in form IV to the Commissioner or Director, Municipal Administration or designated Officer as well as to the State Pollution Control Board.

It was, however, observed in audit that, the AMC did not assess the daily solid waste generation. As per the Detailed Project Report on Solid Waste Management in Aizawl City for the year 2016-17, the actual quantity of Solid Waste collected per day was 159.88/tpd<sup>2</sup>. In absence of daily assessment of waste generation, the authenticity of the figure incorporated in the annual report by the AMC could not be ascertained in audit.

In absence of accurate data on waste generated, planning for management of solid waste would be difficult. For proper assessment of solid waste generated, weighbridges are required to be installed by the AMC at the site of disposal of solid waste. However, this facility was not available at the disposal site or with the AMC. Hence there was a need for installation of weighbridge by the AMC in order to assess the daily solid waste generation.

On this being pointed out, the State Government stated (May 2018) that the installation of weighbridge would be done shortly. However, the installation of weighbridge was not done as of May 2019.

***Recommendation: The AMC should assess properly quantity of solid waste generated daily for effective management of solid waste.***

#### ***4.1.4.4 Door-to-door collection of solid waste***

As per Rule 15(b) of the Solid Waste Management Rules, 2016, it is the duty of the local bodies to arrange for door to door collection of solid waste from all household including slums and informal settlements, commercial, institutional and other non-residential premise. Also as per section 8(1) of the Mizoram Urban Sanitation and Solid Waste Management Policy, 2011, door step or house to house collection on regular and pre-informed timing will be organised by the process of ringing of bell or other means of information.

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<sup>2</sup> Tonne per day

It was observed in audit that door-to-door collection of segregated waste was not done in the Aizawl Municipality. In reply to audit query (November 2017), the AMC stated that due to physical terrain of Aizawl city, door-to-door collection of Municipal Solid Waste was not possible; rather residents disposed off their waste from a designated collection point and it is presumed that 90 *per cent* of the city was covered.

However, as per the Service Level Benchmark, the actual coverage during 2016-17 was 86 *per cent* against the prescribed benchmark of 100 *per cent*.

The State Government stated (May 2018) that efforts were made to increase coverage of solid waste collection within the city. Further, the Government added that the actual coverage increased to 90 *per cent* during 2017-18.

#### ***4.1.4.5 Instances of burning of solid waste***

In terms of Solid Waste Management Rules, 2016, wastes (dry leaves, garbage) should not be burnt. Audit, however, observed that heaps of garbage was burnt indiscriminately causing air pollution in and around the dumping site at Tuirial as shown in the photographs below:



Photographs on burning of garbage at Tuirial dumping ground, Aizawl, Mizoram were taken on 21 November 2017 at 3:00 pm

It was noticed that the AMC did not take any steps to measure and combat the pollution of Air caused due to the burning of solid waste.

The Government stated (May 2018) that steps would be taken to minimise the pollution of Air by engaging water cannon of Fire service which in turn would reduce burning of the solid waste. The reply was not acceptable as water cannon is not the solution to Air Pollution and no steps were taken to stop the practice of open burning of solid wastes in the first place. Further, the reply was silent about the steps taken to measure the pollution of Air due to the burning of solid waste.

#### ***4.1.4.6 Non-segregation of waste***

The Solid Waste Management Rules, 2016 envisage that, in order to create public awareness the municipal authorities should organise awareness programme for minimising the waste, not to litter, segregation of waste and should promote recycling or reuse of segregated waste including home composting. The municipal authorities should initiate programme through information, education and communication and by educating the waste generators.

Audit observed that, segregation, reuse and recycling of waste were not done in Aizawl. In reply to audit query, the AMC stated that they were handicapped to make duplicate arrangement in respect of Solid Waste Management as the same was under active implementation by State Investment Programme Management and Implementation Unit (SIPMIU).

***Recommendation:*** *The AMC should take steps for segregation of solid waste by spreading public awareness and provisioning for the same.*

#### ***4.1.4.7 Treatment and Landfill operation***

The Mizoram Urban Sanitation and Solid Waste Management Policy, 2011 was formulated in pursuance of the Supreme Court guidelines. Taking into account the prevalent market constraint, composting was to be the preferred method for treatment of solid waste. Landfill, as required under prevailing statutes, would need to be developed to dispose of non-biodegradable matter and compost rejects.

During the course of audit, it was however observed that, since the Municipal Solid Waste Management System for Aizawl City project was not within the purview of AMC but being executed by SIPMIU, under Asian Development Bank (ADB) project, treatment of Solid waste had not been done either by composting or through landfill. It was however stated that the project (creation of composting and land fill facilities) would be commissioned within 2019 and would be handed over to AMC.

#### ***4.1.4.8 Collection of User Fee***

The Solid Waste Management Rules, 2016 envisage for collection of user fee from the waste generators. It is the duty of the local bodies to prescribe from time to time user fee as deemed appropriate and collect the fee from the waste generators on its own or through authorised agency.

During the course of audit, it was observed that the AMC collected user fees from the general public through the Local Councils. It was however, observed that the AMC did not prescribe the rate. The AMC also did not keep the account of the user fees collected from the public.



Instead, user fees were fixed and collected by the Local Councils. Thus, in the absence of prescribed fee and proper records, the actual amount of user fee collected and utilisation could not be ascertained in audit.

The Government stated (May 2018) that the rate for collection of user fees from the public is not fixed by the AMC. However, allotment of vehicles and hiring charges of vehicles were fixed for each local council. The reply was, however, silent about the amount of user fees collected and the maintenance of records of user fees collection.

**Recommendation:** *The AMC should prescribe the rate of user fee and keep the accounts of the user fees collected from public.*

#### **4.1.4.9 Monitoring**

The Mizoram Urban Sanitation and Solid Waste Management Policy, 2011 envisage for creation of Sanitation task Force at the State Level and City/ Town Task Force at the City/ Town level which will be responsible for providing overall guidance in the process of planning, implementation, monitoring and evaluation of sanitation programs at the state level and at the City/ Town level respectively.

During the course of audit, it was observed that the Mizoram Sanitation Task Force was established (10 May 2016) and the City/ Town Sanitation Task Forces were formed. The Mizoram Sanitation Task Force set up an annual action plan<sup>3</sup>, outlining the targets to be achieved during 2016-17. However, there was no record to show that actions as proposed in the annual plans were being carried out. Hence, in absence of proper record, the monitoring works carried out by the Task Forces could not be ascertained in audit.

#### **4.1.5 Conclusion**

The State Government had framed Solid Waste Management Rules, 2016. As per Fourteenth Finance Commission's recommendation, Service Level Benchmark for solid waste management was done by AMC. Audit however, noticed that AMC had fixed the target for several indicators below the prescribed benchmarks. AMC did not determine the actual quantum of solid waste generated in absence of weighbridges. There was negligible segregation of waste before and after collection. Dumping of wastes was the most common option for disposal of waste, due to non-existence of waste processing and scientific landfill. Even instances of burning of solid waste were noticed. The AMC did not keep the accounts of the user fee collected from the public.

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3 As per the Action Plan, Cleanliness Drive was taken up during 2016-17

#### **4.2 Fixed Assets Registers not maintained**

The Annual Accounts of the Aizawl Municipal Corporation for the year ended March 2017 exhibited an amount of ₹ 5,350.89 lakh as Net Fixed Assets after deduction of accumulated depreciation of ₹ 518.93 lakh from the Gross Fixed Assets of ₹ 5,869.82 lakh.

Scrutiny of the records (November 2017) revealed that the AMC did not maintain Register of Immovable Property (Form GEN-30 of AMC Accounting Manual Vol.-II), Register of Land record (Form GEN-32, *ibid*), Asset Replacement Register (Form GEN-35, *ibid*). Further, records of fixed assets and the depreciation thereof was not reflected in the relevant ledgers in the Municipal accounting software maintained by the AMC.

The annual accounts depicted ₹ 191.73 lakh as addition under 'Building'. Scrutiny of the records revealed that ₹ 66.71 lakh only was incurred under 'Building' (Construction of Warehouse at CSTT Campus, Rangvamaul) during 2016-17. Further, the annual accounts also depicted an amount of ₹ 12.00 lakh as addition under 'Waterways'. However, there was no expenditure under waterways during 2016-17.

As a result, Audit could not verify and vouchsafe the actual assets held by the AMC and the corresponding depreciation of ₹ 5,358.89 lakh as of March 2017.

The Government stated (May 2018) that wrong depiction in the accounts was due to technical problem in the accounting software which was being resolved. Further, the Government added that the AMC had started maintaining all the required registers.

#### **4.3 Irregular procurement of goods and stationery items**

Rule 146 of General Financial Rules (GFR), 2005 (as adopted by the Government of Mizoram) states that purchase of goods costing above ₹ 15,000 (Rupees Fifteen Thousand) only and up to ₹ 1,00,000 (Rupees One lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier.

Scrutiny of the records (November 2017) revealed that the AMC purchased goods worth ₹ 11.49 lakh (with price ranging from ₹ 15,000 to ₹ 94,442) on different occasions during 2016-17 without constituting a purchase committee in contravention of Rule 146 of GFR. Details are given in **Appendix-4.1**.

While accepting the audit observation, the Government stated (May 2018) that constitution of Purchase Committee/ Advisory Board would be done shortly. However, action taken in this regard was awaited till date (May 2019).



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**Aizawl**  
**The 23 August 2019**

**Countersigned**



**(LALRAMTHANGA TOCHHAWNG)**

**Principal Accountant General**

**Aizawl**  
**The 26 August 2019**