
Chapter I

Social Sector

CHAPTER I SOCIAL SECTOR

1.1 Introduction

The audit observations relating to various State Government departments and their units under Social Sector are featured in this chapter.

During 2017-18, against a total budget provision of ₹ 5,409.50 crore under Social Sector, a total expenditure of ₹ 4,505.71 crore was incurred by 17 departments. The Department-wise details of budget provision and expenditure incurred there-against are shown in the following table.

Table No. 1.1.1 Budget Provision and Expenditure of Departments in Social Sector during 2017-18

(₹ in crore)

Sl. No.	Department	Budget Provision	Expenditure
1	Labour and Employment	57.36	58.38
2	Information and Publicity	21.39	20.11
3	Tribal Affairs and Hill and Schedule Caste	704.77	662.82
4	Adult Education*	1,466.58	1,263.75
5	Education (Schools)*		
6	Education (University)*		
7	Technical Education*		
8	Medical Health and Family Welfare	671.14	583.13
9	Youth Affairs and Sports	89.00	77.73
10	Social Welfare	383.65	255.10
11	Relief and Disaster Management	91.56	55.04
12	Panchayat	82.14	74.47
13	Arts and Culture	25.34	23.11
14	Minorities and Other Backward Classes	145.56	89.33
15	Consumer Affairs, Food and Public Distribution	87.24	82.92
16	Municipal Administration Housing and Urban Development	494.38	317.10
17	Community and Rural Development	1,089.39	942.72
Total		5,409.50	4,505.71

Source: Appropriation Accounts.

* Separate information not available.

Besides this, the Central Government had been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of various programmes of the Central Government. During 2017-18, out of ₹ 54.67 crore directly released to different implementing agencies, ₹ 31.36 crore was under Social Sector. The details are shown in *Appendix I.1.*

1.1.1 Planning and execution of Audit

Audit is conducted in accordance with the annual audit plan. The audit units are selected on the basis of risk assessment carried out keeping in view the topicality, financial significance, social relevance, internal control system of

the units, and occurrence of defalcation/ misappropriation/ embezzlement as well as past audit findings *etc.*

Inspection Reports are issued to the heads of units as well as heads of departments after completion of compliance audit of a unit. Based on the replies received, audit observations are either closed or departments / units are advised to take further remedial measures. Important audit findings are processed for inclusion in the Audit Report of Comptroller and Auditor General (CAG) of India for placing of the same before the Legislative Assembly.

Audits conducted during 2017-18 covered expenditure of ₹ 2,067.64 crore including expenditure of previous years of the State Government under Social Sector, as shown in ***Appendix 1.2***.

This chapter contains one Performance Audit *viz.*, “Performance Audit of Solid Waste Management” and four compliance audit paragraphs as discussed in the succeeding paragraphs.

PERFORMANCE AUDIT
**MUNICIPAL ADMINISTRATION, HOUSING AND URBAN
DEVELOPMENT DEPARTMENT**
1.2 Performance Audit of Solid Waste Management

Solid waste management (SWM) is one of the most important obligatory functions of the Urban Local Bodies (ULBs) and they are responsible for collection, segregation, storage, transportation, processing and disposal of the solid wastes. The Secretary, Municipal Administration, Housing and Urban Development (MAHUD) through the Director, MAHUD is responsible for preparation of the State Policy and Strategy for the management of Solid Waste. The Manipur Pollution Control Board (MPCB) is responsible for monitoring of environmental standards and adherence to the Solid Waste Management Rules for waste processing and disposal sites. The Performance Audit of SWM revealed lapses on the part of the State Government, ULBs and MPCB.

Some of the important audit findings of Performance Audit on SWM covering the period 2013-14 to 2017-18 are highlighted below:

Highlights

- *In six out of 11 sampled ULBs, there was no planning for management of solid waste. The Department had not worked out the requirements for tools and equipment to ensure proper segregation, material recovery, storage, transportation, processing and disposal of waste.*

(Paragraph 1.2.7.1)
- *Assessment process of the generation of solid waste in five out of the 11 sampled ULBs did not consider the seasonal variations in generation of solid waste and hence, lacked reliability.*

(Paragraph 1.2.7.2)
- *None of the 11 sampled ULBs had prepared budget for solid waste management. The solid waste management was being carried out without proper financial assessment.*

(Paragraph 1.2.8.1)
- *Assessment of waste generated in six out of the 11 sampled ULBs was not conducted during 2013-18 due to which systematic and authentic data on generation and composition of waste was not available.*

(Paragraph 1.2.9.1)
- *Facilities for disposal of domestic hazardous waste were not available in any of the 11 sampled ULBs. As a result, domestic hazardous waste was being mixed with other waste streams and deposited into the open dumpsites.*

(Paragraph 1.2.9.6)
- *There was no material recovery facility existed for segregation and recovery of the valuable waste in any of the 11 sampled ULBs.*

(Paragraph 1.2.9.7)

- *None of the 11 sampled ULBs had submitted annual reports to the Deputy Commissioners concerned, as required under the provisions of Municipal Solid Waste Management Rules, 2000.*

(Paragraph 1.2.11.1)

- *MPCB had not conducted any monitoring to check whether the Solid Waste Management Plant at Lamdeng followed the approved standards and treatment technology. The MPCB had also not fully monitored the ambient air quality in and around the landfill sites of waste disposal.*

(Paragraph 1.2.11.4)

1.2.1 Introduction

Waste is any substance which is discarded after primary use, or is worthless or defective and is of no use. Solid waste includes solid or semi-solid domestic waste, sanitary waste, commercial waste, institutional waste, catering and market waste and other non-residential waste, street sweepings, silt removed or collected from surface drains, horticultural waste, agricultural waste and treated bio-medical waste, etc.

Waste represents a threat to the environment and human health if not handled or disposed of properly. Surface and ground water contamination takes place when waste reaches water bodies. Residues from the waste can change the water chemistry, which can affect all levels of an ecosystem. The health of animals and human beings are affected when they drink contaminated water. A specific environmental hazardous substance produced by waste is leachate, which is a liquid that forms, as water trickles through the contaminated areas leaching out the chemicals. Movement of leachate from landfills and waste disposal sites may result in hazardous substances entering surface water, ground water or soil. Emission from the incinerators or other waste burning devices and landfills can cause air contamination. Thus, to ensure better human health and safety, there is a need for an effective system for managing the solid waste.

The responsibility of solid waste management in the State is vested with the local self-government institutions both in the urban and rural areas. Management of solid waste involves assessment of the generation and collection of waste, segregation, storage, transportation, processing and finally its disposal.

As per Census 2011, the total population of Manipur is 25.70 lakh, out of which the rural population is 17.36 lakh and the urban population is 8.34 lakh. The population in Manipur in the last decade has grown at the rate of 18.6 per cent, rural growth being 9.1 per cent while urban growth was 44.8 per cent. As a result of the rapid growth of urban population coupled with the changing lifestyles of people, the solid waste generated daily in urban areas increased significantly. In the State, there are 27 ULBs comprising one Municipal Corporation – Imphal Municipal Corporation (IMC), 18 Municipal Councils (MC) and eight Nagar Panchayats (NP). Of these 27 ULBs, IMC with a population of 2.68 lakh, is the largest ULB covering almost one third of the total urban population of Manipur.

The quantity of solid waste generation in the urban area is estimated at about 186.82 tonnes per day (TPD). The Imphal Municipal area alone accounts for 80.47 TPD. Except for Thoubal MC, which generates an estimated solid waste amount of 13.78 TPD, all other ULBs generate solid waste less than 10 TPD.

In the State, there is a solid waste management plant comprising waste processing plant and sanitary landfill for the Imphal city located at Lamdeng, about 10 km from Imphal city. The plant became operational in December 2016 with a capacity of converting 100 TPD of solid waste into compost.

According to Swachh Bharat Survey 2017, Imphal city ranked 3rd cleanest city after Gangtok and Aizawl in the North Eastern Region of India while, Thoubal Municipal Town of Manipur was declared as cleanest city of North East under the category of population below 1 lakh as per Swachh Bharat Survey 2019.

1.2.2 Organisational Structure

The Secretary, Municipal Administration Housing and Urban Development through Director, MAHUD prepares SWM policy and strategy for the State. The Deputy Commissioners (DCs) of the districts facilitate identification and allocation of the suitable land for setting up solid waste processing and disposal facilities, to the local authorities in their districts in close co-ordination with the Secretary, MAHUD. DCs are also responsible for review of the performance of local bodies in the district at least once in a quarter on waste segregation, processing, treatment and disposal and on corrective measures in consultation with the Director of MAHUD.

As per the 74th Amendment of the Constitution (August 1992), Solid Waste Management (SWM) is one of the mandatory functions of ULBs. ULBs shall prepare a SWM plan as per the State Policy and strategy. It is also the responsibility of the municipal authorities to implement laws relating to the collection, segregation, storage, transportation, processing and disposal of solid waste in the municipality. The MPCB shall enforce the provisions of SWM Rules in the State through the local bodies and review implementation of the rules at least twice a year in close co-ordination with MAHUD. The Board shall monitor the environmental standards and adherence of the waste processing and disposal sites to specified conditions.

1.2.3 Scope of Audit

The Performance Audit was conducted during the period from April 2018 to August 2018 covering the period from 2013-14 to 2017-18. The audit included scrutiny of records relating to the functioning of MAHUD, Manipur Urban Development Agency (MUDA), Planning and Development Authority (PDA) and MPCB in relation with municipal solid waste management. At the implementation level, Audit also scrutinised relevant records maintained by the 11 ULBs *i.e.*, Imphal Municipal Corporation and 10 Municipal Councils¹ out of 18 Municipal Councils. Details are shown in **Appendix 1.3**.

¹ Lilong (Thoubal) MC, Bishnupur MC, Mayang Imphal MC, Thoubal MC, Yairipok MC, Kumbi MC, Kwakta MC, Jiribam MC, Lamlai MC and Ningthoukhong MC.

1.2.4 Audit Objectives

The objectives of this Performance Audit were to ascertain whether:

- Planning for the Management of Solid Waste was adequate and effective;
- Adequate funds were provided in a timely manner and utilized efficiently for the purposes the funds were provided;
- Programmes/schemes for Solid Waste Management were implemented efficiently, effectively and economically; and
- Effective monitoring mechanisms existed and functioned effectively.

1.2.5 Audit Criteria

Audit criteria were derived from the following sources:

- Municipal Solid Waste (Management and Handling) Rules, 2000/Solid Waste Management (SWM) Rules, 2016;
- Environment Protection Act, 1986;
- National Action Plan (Revised in conformity with SWM Rules, 2016);
- Standards for air, water issued by Central Pollution Control Board (CPCB) and MPCB;
- Orders and instructions of National Green Tribunal and Supreme Court and High Courts;
- State Action Plan, Detailed Project Reports (DPRs) and Bye-Laws of ULBs and other instructions issued by the Ministry of Housing and Urban Affairs, Ministry of Environment and Forest and those issued by MAHUD;
- Municipal Solid Waste Manual, 2000 and 2016;
- Guidelines of the Swachh Bharat Mission; and
- General Financial Rules, 2005 and 2017.

1.2.6 Audit Methodology

An Entry Conference was held with the officials of MAHUD in April 2018 wherein the audit objectives, audit criteria and scope of audit were discussed. This was followed by the scrutiny of records covering the period from 2013-14 to 2017-18. Records of 10 Municipal Councils (MCs) selected out of the 18 Municipal Councils using Probability Proportional to Size Without Replacement Method with size measurable to the population were examined as part of the Performance Audit. As Imphal Municipal Corporation (IMC) was the only Municipal Corporation in the State, it was also selected for audit scrutiny and a case study was also conducted on IMC. Records were examined and analysed based on the audit criteria to arrive at the audit findings, conclusions and recommendations. In addition, joint physical verification and beneficiary surveys were also conducted and photographic evidences were gathered in support of Audit observations.

The draft Performance Audit Report was issued to the Government in October 2018. Despite constant persuasion, the Department submitted comments/replies only partially during December 2018 which was indicative of the fact that the Government did not give full cooperation in this audit. An Exit Conference was held on 05 December 2018 wherein audit findings were discussed. The views of the Department based on replies and discussion held, have been incorporated in the Report suitably.

Audit Findings

1.2.7 Planning

1.2.7.1 Action Plan for Solid Waste Management

Para 7.1 of the National Action Plan for Municipal Solid Waste Management requires each State to assess the local situation and prepare a State Plan considering the preparedness of the local bodies and finalize modalities for setting up of waste processing and disposal facilities. Each State has to follow the waste management policy/hierarchy such as, waste prevention or minimization, waste utilization, waste recycling, waste processing, waste to energy conversion and landfilling. Each municipal body will prepare action plan in consultation with the State Urban Department after assessing the status of waste generation and composition. Local bodies are to work out the requirement of tools and equipment to ensure proper segregation, material recovery, storage, transportation, processing and disposal of waste and document it in the form of Detailed Project Report (DPR).

The State Government had decided (April 2015) that management of solid waste in the urban area would be taken up on cluster basis. Accordingly, under this scheme, six clusters were formed comprising of three to seven ULBs in each cluster based on ease of connectivity while management of solid waste in Jiribam MC was to be operated in a standalone mode due to geographical reasons (as shown in *Appendix 1.3*).

It was observed that the Action Plan for SWM was prepared in five² out of 11 sampled ULBs and documented in the form of DPR. Of these, DPRs for three³ sampled ULBs had been approved (December 2017) by the Ministry of Development of North Eastern Region (DoNER). Thus, six out of 11 sampled ULBs had not worked out their requirement of tools and equipment to ensure proper segregation, material recovery, storage, transportation, processing and disposal of waste of their respective areas. In addition, absence of DPR creates problems in estimation of frequency of waste collection to cater to all households, in examination of sufficiency of present available resources and determining the additional requirements and in deploying the best practices in composition and treatment method. This would result in delays and inefficiencies in the management of solid waste.

The Department stated (December 2018) that Lamdeng Solid Waste Management Plant for Imphal Municipal Corporation would serve as Integrated Solid Waste Management Plant for the waste collected on regional/cluster

² IMC, Lamlai MC, Lilong (Thoubal) MC, Thoubal MC and Yairipok MC.

³ (i) Thoubal MC (ii) Yairipok MC and (iii) Lilong (Thoubal) MC.

basis. Accordingly, DPRs for cluster “A”⁴ and “B”⁵ had been prepared in the initial phase. However, project proposal for cluster “A” was withheld due to financial constraint.

Recommendation (1): State Government should speed up preparation of DPRs for management of solid waste on cluster basis for all the ULBs in the State so that management of solid waste in the State is ensured at the earliest.

1.2.7.2 Non-consideration of seasonal variation in Sampling for waste quantification

Determination of the quantity and characteristics of the solid waste is *sine-qua-non* for assessing the present and future needs for budgeting, operation, processing and disposal facilities. As per the Municipal Solid Waste Manual 2016, for the purpose of long term planning, the average amount of waste disposed by a specific class of generators can be estimated only by averaging data from the several samples collected continuously for seven days at multiple representative locations within the ULB jurisdiction in each of the three main seasons *i.e.*, summer, winter and rainy seasons so that the seasonal variation of generation of solid waste is taken into consideration in quantification of waste.

The State Government appointed NCPE Infrastructure India Private Limited, a consultancy firm empanelled with Ministry of Urban Development, Government of India (GoI) as consultant for preparation of DPR for municipal SWM for the urban local bodies in the State. The scope of the work *inter-alia* included quantification of solid waste and prediction based on the trends obtained from the field survey results. For determination of solid waste generation in seven ULBs, the NCPE Infrastructure Private Limited conducted sample survey of the solid waste from 1.25 *per cent* of households⁶ and commercial establishments. For the purpose of survey, the disposal of solid waste of households and commercial establishments for seven days during the month of May 2017 was taken into consideration while no data was collected for all the three seasons at the time of preparation of DPRs in five⁷ out of 11 sampled ULBs by the consultant. Thus, data on nature/quantity of disposal of waste lacked analysis on seasonal variation and hence lacked reliability.

1.2.7.3 Absence of Action Plan for transportation of solid waste

Out of the 11 sampled ULBs, four ULBs⁸ possessed only one tractor with a trailer/trailers (as shown in **Appendix 1.4**) for transportation of solid waste from the source to the disposal sites. The tractors were purchased during 2011-12 or earlier and were not in a good working condition and requiring frequent repairs and maintenance. The ULBs did not have any action plan for alternative mode of transportation of solid waste in case of breakdown of tractors.

On this being pointed out, the ULBs stated (August 2018) that they had engaged private vehicles when the vehicles owned by them had broken down

⁴ IMC, Lamlai MC, Lilong (IW) NP, Sekmai NP and Lamsang NP.

⁵ Lilong (Thoubal) MC, Yairipok MC, Wangjing MC, Sikhong Sekmai MC, Thoubal MC, Heirok NP and Andro NP.

⁶ 24,526 households.

⁷ (i) IMC (ii) Lamlai MC (iii) Thoubal MC (iv) Lilong Thoubal MC and (v) Yairipok MC.

⁸ (i) Kumbi MC (ii) Kwakta MC (iii) Lamlai MC and (iv) Yairipok MC.

or were in the maintenance mode. However, the ULBs could not provide reasons for not having a documented action plan.

The Department, however, while accepting the audit observation, stated (December 2018) that the State has formulated a draft State Policy in 2018 for urban solid waste management, which was yet to be approved. Thus, none of the ULBs had any action plan for transportation of solid waste in the event of break down/maintenance of the existing vehicles.

1.2.7.4 Absence of plan for waste management when the Plant at Lamdeng breaks down or is in maintenance mode

The State Government has set up one SWM facility comprising waste processing plant and sanitary landfill for Imphal city with a capacity of conversion of 100 tonne per day (TPD) of solid waste to compost at Lamdeng located at about 10 km distance from Imphal City. Solid waste collected by IMC and the Non-Governmental Organisations (NGOs) within the jurisdiction of IMC are being disposed of at the Plant for processing since December 2016.

Audit noticed that, neither was there any action plan nor any facility for diversion of waste in case the plant breaks down or in maintenance mode. In such a situation, the waste was being diverted to the temporary dumpsite.

While admitting the audit observation, the Department stated (December 2018) that they had been striving to find suitable land for establishment of second site where waste could be diverted. However, the Department was silent on the documented action plan for establishment of second site.

1.2.7.5 Non-compliance to the time-bound Integrated Model Action Plan

The State Government had decided (April 2015) to adopt a time-bound Integrated Model Action Plan for implementing the Municipal SWM and Handling Rules, 2000. Audit noticed that the State and the sampled ULBs had not achieved targets as per the action points against each activity as envisaged in the State Action Plan which has been discussed in the following table.

Table No. 1.2.1 Details of Action Plan *vis-à-vis* status of achievement in sampled ULBs

Activities	Action points (Target)	Time limit from April 2015	Audit observations/status (as of January 2019)
DPR	To prepare a DPR for Management of Municipal Solid Waste in accordance with MSW Rules.	6 months	i. DPR for three ⁹ sampled ULBs had been prepared and approved by the Ministry. DPR in respect of two ¹⁰ sampled ULBs has been prepared but yet to be approved by the Ministry. ii. DPRs for the remaining six sampled ULBs had not been prepared.
Collection of waste	To make arrangement for 100 <i>per cent</i> collection of waste.	9 months	None of the 11 sampled ULBs had the arrangement for 100 <i>per cent</i> collection of waste.
Intra city activities	To prepare an action plan for regulation of stray cattle, prohibiting burning of garbage,	6 months	i. There was no regulation for prohibition of burning of garbage in three out of 11 sampled ULBs.

⁹ (i) Thoubal MC (ii) Yairipok MC and (iii) Lilong (Thoubal) MC.

¹⁰ IMC and Lamlai MC

Activities	Action points (Target)	Time limit from April 2015	Audit observations/status (as of January 2019)
	street sweeping by mechanical means, setting up of public grievance cell, attend to public complaints and constitution of vigilance squads.		ii. None of the sampled ULBs had plans for street sweeping by mechanical means. iii. No vigilance squads except in IMC were established in 10 out of 11 sampled ULBs.
Storage of waste	To prepare an action plan for setting up of bins at appropriate locations.	9 months	None of the sampled ULBs had prepared any action plan for setting up of bins at appropriate locations.
Transportation of waste	To work out an action plan for procurement and implementation of transportation of Municipal solid Waste.	18 months	While action plans in respect of five ¹¹ sampled ULBs were prepared, no action plans were in place in the remaining six sampled ULBs.
Processing of waste	To prepare State level action plan for setting up processing facilities.	18 months	
Old dumpsite	To prepare an action plan for capping and plantation of the old dumpsites.	12 months	None of the 11 sampled ULBs had prepared any action plan for capping and plantation of the old dumpsites even after a lapse of more than three years.

Further, as part of the State Government's Action Plan on SWM on cluster basis, a DPR for the Cluster "B" comprising seven ULBs¹² with Thoubal as regional centre was prepared and approved (December 2017) by the DoNER. Of the seven ULBs under cluster "B", Thoubal MC, Lilong (Thoubal) MC and Yairipok MC were in the sampled ULBs. The total cost of the project was ₹ 13.52 crore. The main objective of the project was to implement a total solution for SWM in ULBs of the cluster. As per the approved DPR, the management of solid waste of the three ULBs would be (i) door to door primary collection from households, primary collection in markets through dumper placer bins, and secondary collection through dumper bins in wards; (ii) transportation from secondary points to the regional centre in Thoubal; (iii) reduction in volume of waste through proper compaction; and (iv) transportation of the compacted solid waste to the Plant at Lamdeng.

Audit noticed from the test check of records of the three MCs that the Thoubal MC was in possession of 6.67 acres of land which was used by the MC as open dumpsite for disposal of mixed solid waste. The Yairipok MC had commenced (May 2016) disposal of waste in the dumpsite at Thoubal. It was however, observed that the waste at Thoubal regional centre remained untreated in the open dumpsite itself without further transportation to the Solid Waste Processing Plant at Lamdeng. There was no door to door collection of solid waste from the households in the three sampled MCs.

On the above being pointed out in audit, the Department attributed (December 2018) the reasons for delay in implementation of cluster "B" to non-receipt of funds from the Ministry. Further, the Department stated that 90 *per cent* of the procurement of equipment and 40 *per cent* of the construction of the project had been completed as of December 2018.

¹¹ (i) IMC (ii) Lamlai MC (iii) Thoubal MC (iv) Lilong Thoubal MC and (v) Yairipok MC.

¹² (i) Lilong Thoubal (ii) Andro (iii) Yairipok (iv) Thoubal (v) Shikhong Sekmai (vi) Wangjing and (vii) Heirok.

As the time bound integrated model Action Plan was not followed by the Department, the objectives of the project hence, remained partially achieved.

1.2.8 Financial Management

1.2.8.1 Non-preparation of budget for solid waste management

Solid waste management is one of the most important mandatory functions of ULBs. They are responsible for maintenance of dumpsites, installation of dustbins, payment of wages to the sanitary workers, Information Education and Communication (IEC) activities, *etc.* As such, they should prepare budget and earmark funds for SWM activities. Further, as per Rule 15(x) of SWM Rules, 2016, ULBs are required to make adequate provision of funds for SWM in the annual budget to enable ULBs to prioritise their obligatory functions. As per Rule 11(d) of the rules *ibid*, the Secretary in charge of MAHUD is required to ensure the implementation of these rules by all local authorities.

It was, however, observed that none of the sampled ULBs had prepared budget for SWM and thus, the SWM activities were being carried out without any proper financial assessment. Thus, solid waste management in the State lacked financial planning.

1.2.8.2 Expenditure on solid waste not in line with the recommendations of the Central Finance Commission

The Central Finance Commission Award for grants to the local bodies is intended to be used to support and strengthen delivery of basic services. SWM being one of the basic services of the municipalities, the Central Finance Commission (CFC) while releasing funds, had instructed ULBs to accord top priority to SWM. Details of the funds received from CFC by the 11 sampled ULBs and expenditure incurred by them on SWM are, as shown in the following table.

Table No. 1.2.2 Details of expenditure during 2013-18 met from CFC funds by the 11 ULBs

(₹ in lakh)						
Sl. No.	Name of ULBs	CFC Funds received during 2013-18	Total expenditure on solid waste	Percentage of expenditure on SWM of total funds received	Total expenditure# on other Basic Services ¹³	Percentage of expenditure on other Basic Services
1	Imphal Municipal Corporation	2,200.84	167.52	7.61	2,033.32	92.39
2	Lamlai MC	59.78	5.27	8.82	54.51	91.18
3	Thoubal MC	603.19	38.69	6.41	564.50	93.59
4	Yairipok MC	123.73	27.32	22.08	96.41	77.92
5	Lilong (Thoubal) MC	332.52	NIL	NIL	332.52	100.00
6	Mayang Imphal MC	340.67	9.60	2.82	331.07	97.18
7	Kumbi MC	133.06	NIL	NIL	133.06	100.00
8	Kwakta MC	118.60	0.74	0.62	117.86	99.38
9	Ningthoukhong MC	174.60	10.88	6.23	163.72	93.77
10	Bishnupur MC	176.58	9.33	5.28	167.25	94.72
11	Jiribam MC	96.06	31.28	32.56	64.78	67.44
Total		4,359.63	300.63	6.90	4,059.00	93.10

Source: Departmental Records.

(# Data on component-wise and year-wise expenditure was not available with the Department).

¹³ Water supply, sanitation, sewerage, storm water drainage, street lighting *etc.*

From the table above, Audit noticed that although two out of the 11 sampled municipalities incurred expenditure on basic civic services such as water supply, sanitation, sewerage, storm water drainage and street lighting *etc.*, out of CFC funds, but had not incurred any expenditure on solid waste from the funds received from CFC during the last five years. The total expenditure for the five years on other basic services incurred by 11 municipalities ranged from 67.44 to 100 *per cent*.

The Department stated (December 2018) that only broad categories of permissible works of the nature of basic civic services were specified in the guidelines and the ULBs themselves decided the work programme as per the needs and demand of the locality under the permissible items of works.

The fact, however, remained that, while two municipalities did not implement the Solid Waste Management, the total expenditure for the five years on solid waste in the remaining nine municipalities ranged from 0.62 to 32.56 per cent which indicated that the municipalities had not accorded priority to SWM in spite of the CFC recommendations and instructions of the State Government.

Recommendation (2): State Government should issue specific instructions to the municipalities for effective utilisation of substantial funds from the State and Central Finance Commission funds for solid waste management as the same was meant for delivery of basic services.

1.2.8.3 Irregularities in procurement of twin bins

As per Rule 162 of General Financial Rules (GFR), 2017 read with Rules 87, 148 and 158, a limited tender enquiry method should be adopted when the estimated value of the goods to be procured is up to ₹ 25 lakh. Further, as per the Ministry of Urban Development, Government of India's instructions (March 2017), in case the residents are unable to procure dustbins on their own, ULBs are advised to procure the same in large number, "Swachh Bharat Waste Container Set (Plastic Garbage Bins)" from Director General of Supply and Disposals (DGS&D), Government e-Marketplace (GeM) Portal and distribute the same among the residents.

IMC procured (October 2017) 200 twin bins (dustbins and stands) for ₹ 7.30 lakh¹⁴ for Imphal City under Swachh Bharat Mission (Urban) from a firm M/S LL. Steel Engineering without inviting tenders. Documents in support of incurring the expenditure such as cash memos, bills and vouchers were not made available to Audit. Further, due to the non-adherence to the provision of GFR and the Ministry's instructions to procure Plastic Garbage Bins from GeM Portal, the procurement process lacked transparency, efficiency and economy.

While admitting the audit observation, the Department stated (December 2018) that procurement of the bins was done on emergency basis to ensure segregation of solid waste by October 2017 on the occasion of Gandhi Jayanti. Further, although it was assured during Exit Conference that documents relating to the expenditure on procurement of dustbins would be furnished, no records were submitted by the Department (December 2018). Hence, reply was not acceptable as Department failed to provide any document to support the statement that the procurement was done on emergency basis.

¹⁴ ₹ 3.70 lakh for dustbin and ₹ 3.60 lakh for dustbin stand.

Thus, veracity of expenditure incurred on this could not be ascertained in audit and possibility of misappropriation of fund could not be ruled out. As such, Government needs to investigate the matter to check as to whether the above procurement was actually made or not and followed by appropriate action in the matter.

1.2.8.4 Short realization of garbage disposal fees

As per an Order of the IMC (January 2015), the IMC was to charge ₹ 50 per trip on the NGOs and Agencies for the solid waste being dumped at the dumpsites maintained by IMC.

During the period from June 2014 to April 2017, Audit noticed that an amount of ₹ 9.08 lakh was realizable from 13 NGOs for dumping solid waste at IMC dumpsites. However, it was observed that the IMC realised ₹ 2.79 lakh only as disposal fee. Thus, IMC was yet to realise the remaining amount of disposal fee amounting to ₹ 6.29 lakh (as shown in *Appendix 1.5*) from the 13 NGOs as of March 2018. Moreover, there were no records showing issue of demand notices to the NGOs after April 2017. There was also no penal provision in the agreement between the IMC and the NGOs for delays in payment of dues.

Records in support of the collection of disposal fee during 2017-18 were not produced to Audit, though called for.

The Department stated (December 2018) that at the instance of Audit, disposal fee for the period upto May 2018 was realised from the NGOs. However, the documents in support of claim of the Department was awaited (December 2018) despite assurance given in the Exit Conference. Thus, veracity of receipt of fee deposited by the NGOs remained unascertained in audit. The Government needs to ascertain whether the necessary fee has been actually deposited by the NGOs.

1.2.8.5 Doubtful expenditure on construction of dustbins

During 2015-16, the Kwakta MC spent ₹ 5.45 lakh on the construction of two garbage bins¹⁵. Similarly, Yairipok MC incurred an expenditure of ₹ 0.93 lakh on construction of one dustbin¹⁶ during 2014-15.

However, during joint physical verification, no trace of construction of the dustbins at the proposed sites were found. Therefore, the actual construction of the structures of dustbins as claimed was highly doubtful which calls for investigation by the Government.

During Exit Conference, the Department stated (December 2018) that the matter would be examined and result thereof would be intimated. However, information was awaited (January 2019) by Audit. Government may, therefore, take appropriate action in this matter.

¹⁵ Sericulture Mapa and Terakhongsangbi.

¹⁶ Mang Leirak Kekru.

1.2.9 Programme Implementation

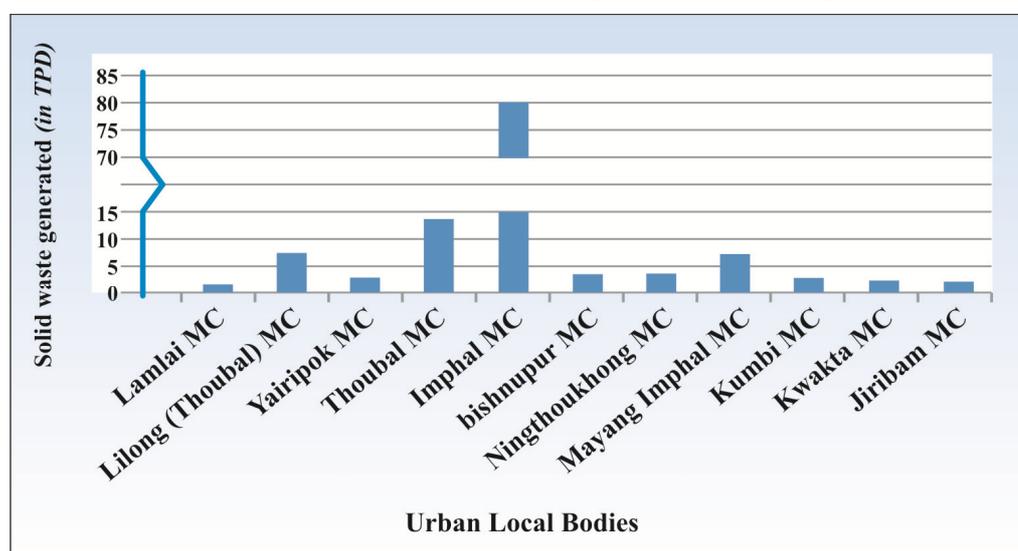
Generation and Collection

1.2.9.1 Assessment of waste generation

As per the National Action Plan, each ULB needs to undertake assessment of the quantity of solid waste generation and its composition and to furnish the details to the Deputy Commissioners concerned and Director, MAHUD annually. Audit noticed that none of the 11 sampled ULBs had complied with this requirement during 2013-18.

As per report (February 2017) of the Manipur Pollution Control Board (MPCB), the State generates 186.82 TPD of solid waste. The quantity of generation of solid waste in the 11 sampled ULBs is depicted in the following chart.

Chart No. 1.2.1 Details of solid waste generated in sampled ULBs



Source: Records of the MPCB.

During the period 2013-18, assessment of the waste generation for the five¹⁷ sampled ULBs (2017-18) had been conducted by the State Government through NCPE Infrastructure Private Limited for the management of the solid waste on cluster basis. Assessment of waste generation for the remaining six ULBs had not been conducted during this period and hence, there was no reliable data on generation and composition of waste in those six sampled ULBs. Further, Audit noticed that none of the sampled ULBs maintained any record on waste generation and its composition. There was no action taken by MAHUD for non-submission of reports by the ULBs. Due to absence of information on generation and composition of waste, ULBs failed to submit requisite report to the MAHUD and to MPCB which led to non-monitoring on progress of solid waste management in the ULBs by the authorities concerned.

While admitting the audit observation, the Department attributed (December 2018) the non-maintenance of records on generation of solid waste in the ULBs

¹⁷ (i) Thoubal MC (ii) Yairipok MC (iii) Lilong (Thoubal) MC (iv) IMC and (v) Lamlai MC.

to shortage of manpower. The Department however, stated that the approval of Cabinet for recruitment of 195 posts had been received and once these posts were filled in, such issues would be resolved.

Recommendation (3): All ULBs should maintain information on generation, collection and disposal of solid waste in their respective jurisdiction for facilitating management of waste in a systematic manner.

1.2.9.2 Collection of waste

As per Schedule II of Municipal Solid Waste Rules, 2000 and SWM Rules, 2016, ULBs are responsible to arrange door-to-door collection of segregated solid waste from all households including slums and informal settlements, commercial, institutional and other non-residential premises. Door to door collection is an essential and critical starting point in the entire chain of scientific SWM services. As per the Service Level Benchmark of the Ministry of Urban Development, the collection efficiency of the ULBs should be 100 per cent. This is to ensure that uncollected waste should not pose risks to health and contaminate the environment.

The implementation schedule (Schedule II) in the Municipal Solid Waste Rules, 2000 specified the activities to be carried out by the Municipalities to ensure that all waste is collected. Rule 15 of the SWM Rules, 2016 also envisages duties and responsibilities of ULBs. With regard to the compliance on these rules in the 11 sampled ULBs, Audit noticed the following:

(a) Status of door-to-door collection of solid waste from households

The position of door-to-door collection of waste from the households in the 11 sampled ULBs as of August 2018 was as shown in following table.

Table No. 1.2.3 Details of door to door collection

Sl. No.	Name of ULBs	Number of households	No. of households covered under door to door collection (per cent)	Frequency of collection	
				Households	Commercial/ market areas
1	IMC	57,764	17,847 (31)	Once or twice a week	Daily
2	Thoubal MC	9,454	Nil	-	Daily
3	Lilong (Thoubal) MC	4,430	Nil	-	Daily
4	Mayang Imphal MC	4,501	100 (2.2)	Daily	Daily
5	Ningthoukhong MC	2,780	372 (13.4)	Once a week	Daily
6	Bishnupur MC	2,501	69 (2.8)	Twice a day	Twice a day
7	Yairipok MC	2,027	Nil	-	Daily
8	Kumbi MC	1,859	12 (0.6)	Alternate days	Alternate days
9	Kwakta MC	1,430	Nil	-	Alternate days
10	Jiribam MC	1,406	Nil	-	Daily
11	Lamlai MC	924	Nil	-	Daily

Source: Departmental Records.

As is evident from the above table, six out of the 11 sampled ULBs had not commenced door-to-door collection of solid waste as of August 2018. Though the practice had started in the remaining five sampled ULBs, the collection of waste was not done on daily basis in three of them. The percentage of households covered under door to door collection activities ranged from

0.6 per cent to 31 per cent in the five ULBs which was quite insignificant. As stated earlier, the door to door collection is the critical starting point in the entire chain of SWM and, thus non-commencement of the collection service in six sampled ULBs would result in scattering of waste in the streets, households and public places, in contravention of scheme objectives.

While accepting the audit observation, the Department stated (December 2018) that the concept of door to door collection of solid waste was new to the public. Due to lack of awareness among the people, their participation was poor for which more awareness campaign would be organised. The reply was not tenable as it is the duty of ULBs to ensure door-to-door collection of solid waste.

(b) Collection of waste from commercial areas on daily basis

Rule 15 (c) of the SWM Rules, 2016 mandated the ULBs to arrange for collection of waste from commercial areas on daily basis. Audit noticed that two¹⁸ out of 11 sampled ULBs collected waste from commercial areas (market places) on alternate days while in the remaining nine ULBs, the collection was done on a daily basis. However, the data in respect of waste generation in the market areas was not provided by the ULBs.

On this being pointed out, the Department stated (December 2018) that necessary directions would be issued to the defaulting ULBs for ensuring daily collection of waste.

(c) Burning of waste

The management of solid waste in 10 out of the 11 sampled ULBs is being done by the MCs themselves. IMC is the only MC where SWM has been entrusted to the NGOs. The burning of waste material releases carbon dioxide and other harmful gases. As per Rule 15 (g) of the SWM Rules 2016, ULBs are to direct waste generators like households, commercial establishments and industries not to burn the waste. Audit noticed that eight¹⁹ out of the 11 sampled ULBs had issued such directives to the waste generators. Remaining three sampled ULBs had not issued such directives as of March 2018.

The Department stated (December 2018) that instructions would be issued to the defaulting ULBs to arrest such irregularities.

Further, during joint physical verification (July and August 2018) of dumpsites of the sampled ULBs, Audit noticed that two²⁰ sampled ULBs where directives had already been issued, were still practicing burning of waste in the open dumpsite maintained by them as could be seen in the following photographs.

¹⁸ Kwakta and Kumbi MC.

¹⁹ IMC, Jiribam, Kumbi, Kwakta, Thoubal, Mayang Imphal, Ningthoukhong and Lamlai MCs.

²⁰ Ningthoukhong MC and Thoubal Khunou MC.

Photograph No. 1.2.1 Photographs showing burning of waste at Ningthoukhong MC and Thoubal Khunou MC



*Burnt waste at Ningthoukhong MC dumpsite
(03 August 2018)*



*Burnt waste at Thoubal Khunou MC
Dumpsite (11 July 2018)*

The Department stated (December 2018) that necessary directives to stop such activities would be issued. It was also mentioned that once the cluster approach is operational, such issues would be taken care of by the ULBs.

Thus, the activities for collection of waste organised by the ULBs were deficient as there was no system of door to door collection in six out of the 11 sampled municipalities and in five municipalities, it ranged between 0.6 and 31 *per cent* of the households and burning of waste was being practiced in the dumpsite of the municipalities, which should be stopped forthwith by not merely issuing necessary directions in this regard but by ensuring appropriate action against the defaulting MCs.

1.2.9.3 Shortfall in collection of waste

The Municipal Solid Waste Rules, 2000 require that all municipal solid waste generated shall be collected and that no waste remains uncollected posing risks to public health and environment. The position of estimated generation, collection and shortfall in collection in the sampled ULBs during 2017-18, is shown in the following table.

Table No. 1.2.4 Details of collection of waste during 2017-18 by sampled ULBs

Sl. No.	Name of sampled ULB	Projected Population ²¹ in 2018	Estimated waste generated during 2017-18 @ 0.5 kg per person per day for IMC and 0.35 kg for other MCs per person per day (<i>in TPD</i>) based on the survey report of NCPE Infrastructure India Private Limited for cluster "B"	Daily Collection of waste as per records of the ULBs during 2017-18 (<i>in TPD</i>)	Estimated shortfall in collection in <i>TPD</i> (<i>in per cent</i>)
1	Imphal Municipal Corporation	2,99,043	149.52	86	63.52 (42)
2	Lamlai MC	5,010	1.75	1.5	0.25 (14)

²¹ Projected from 2011 census data.

Sl. No.	Name of sampled ULB	Projected Population ²¹ in 2018	Estimated waste generated during 2017-18 @ 0.5 kg per person per day for IMC and 0.35 kg for other MCs per person per day (in TPD) based on the survey report of NCPE Infrastructure India Private Limited for cluster "B"	Daily Collection of waste as per records of the ULBs during 2017-18 (in TPD)	Estimated shortfall in collection in TPD (in per cent)
3	Thoubal MC	51,277	17.94	6	11.94 (67)
4	Yairipok MC	10,717	3.75	1.5	2.25 (60)
5	Lilong (Thoubal) MC	29,531	10.33	1.5	8.83 (85)
6	Mayang Imphal MC	27,657	9.67	2.5	7.17 (74)
7	Kumbi MC	10,453	3.65	0.75	2.90 (79)
8	Kwakta MC	9,814	3.43	1.5	1.93 (56)
9	Ningthoukhong MC	14,530	5.08	3.24	1.84 (36)
10	Bishnupur MC	14,053	4.91	4	0.91 (19)
11	Jiribam MC	7,937	2.77	3	Nil

Source: Records of Department and population projection by Audit.

The quantity of solid waste collected in the 11 sampled ULBs was in the range of 0.75 to 86 TPD. Audit found that in one ULB, the total collection of waste could be achieved. In the remaining 10 ULBs, the shortfall ranged from 14 per cent to 85 per cent posing risks to the public health and environment, which indicated that the authorities were not taking collection of waste and its proper disposal seriously.

Audit noticed that due to the shortfall in collection, waste was allowed to be dumped at different places viz., roadsides, market places, near hospitals and medical facilities as is evident from the following photographs, which is a matter of serious concern.

Photograph No. 1.2.2 Photographs showing uncollected waste at Hatta and JNIMS in IMC



*Uncollected waste at Hatta (IMC)
(07 July 2018)*



*Uncollected waste at JNIMS Hospital (IMC)
(20 June 2018)*

The Department attributed (December 2018) the reasons for the shortfall in collection of waste to inadequate manpower and weak financial position of the ULBs. The reply was not acceptable as it was the duty of ULBs to take appropriate action in this regard and that they were failing in doing the needful.

The fact remains that the 10 sampled ULBs²² could not collect the entire quantity of waste generated in their jurisdiction during 2017-18 posing risks of health hazards for the residents at large.

Recommendation (4): All ULBs should ensure door-to-door collection of waste on daily basis as this would not only encourage public participation in management of solid waste but also avoid indiscriminate disposal of waste by the public.

Segregation of waste

1.2.9.4 Segregation of waste

Segregation of waste at source ensures that waste is less contaminated and can be collected and transported for further processing. It is a critical requirement for sustainable SWM system. Segregation enables recycling, reuse, treatment and scientific disposal of the different components of the waste. As per SWM Rules, 2016, each ULB is required to arrange for door-to-door collection of segregated solid waste from all waste generators. As per the Municipal SWM Manual (Para 2.2.1.2.1), the dry waste, wet waste and domestic hazardous waste should be stored in separate garbage bins at the household source level.

The implementation Schedule II in the MSW Rules 2000 also laid down activities to be carried out by the Municipal authorities to ensure that segregation of solid waste takes place. Audit examination in this regard revealed the following:

(a) Organisation of awareness programme for segregation of waste

Awareness programme is an effective mobilisation tool for waste segregation. Such mass awareness programmes at school level, residential level, at market and commercial areas are inevitable activities of the ULBs in order to spread awareness and ensure segregation of waste at household source level.

Audit noticed that seven²³ out of the 11 sampled ULBs had not organised any such awareness programme on waste segregation during 2013-18.

While admitting the audit observation, the Department stated (December 2018) that in future, the Department would stress on organising awareness campaigns for segregation of waste.

(b) Meetings with the representatives of local resident welfare associations and NGOs

The ULBs need to hold regular meetings at quarterly intervals with the representatives of local resident welfare associations and NGOs to ensure community participation in the waste segregation.

²² There was no shortfall in Jiribam MC.

²³ (i) Bishnupur (ii) Kwakta (iii) Kumbi (iv) Lamlai (v) LilongThoubal (vi) Ningthoukhong and (vii) Yairipok.

Audit found that, four²⁴ out of the 11 sampled ULBs did not conduct any such meetings with the representatives of the local resident welfare associations and NGOs during 2013-18.

(c) Non-segregation of waste at the household level and market areas

Segregation of waste at the household level is the primary requirement in order to ensure that solid waste does not get mixed with other waste streams like domestic hazardous waste. It would make the management process easier by facilitating the various categories of waste going to the correct place for recycling, decomposing and disposal.

Audit noticed that none of the households in the 11 sampled ULBs practiced segregation of waste at the household level which resulted in mixing up of different kinds of wastes together for disposal.

Audit also noticed that six sampled ULBs had provided twin bins (green for bio-degradable and blue for non-bio degradable) in market areas for collecting segregated waste at source. Instead, all kinds of waste irrespective of bio-degradable or non-bio degradable material were disposed of by the people without segregating the same at source as is evident from the following photographs. It shows that there was lack of awareness among general public about segregating waste material and its proper disposal.

Photograph No. 1.2.3 Photographs showing scattering of waste at Thangal Bazar (IMC) and Bishnupur MC



Unsegregated twin bins at Thangal Bazar (IMC) (07 July 2018)



Unsegregated twin bins at Bazaar Area (Bishnupur MC) (30 July 2018)

While admitting the audit observation, the Department stated (December 2018) that the practice of source segregation was yet to be put in place in the State. However, such issues would be addressed in the draft State Policy on Solid Waste, 2018, which was being prepared.

Recommendation (5): Segregation of waste should be given greater priority through public awareness campaign and by holding regular meetings with Self Help Groups, NGOs, local clubs etc.

²⁴ (i) Lamalai MC (ii) LilongThoubal MC (iii) Mayang Imphal MC and (iv) Yairipok MC.

Storage

1.2.9.5 Storage

ULBs are responsible for establishing and maintaining storage facilities and to take up measures for avoiding unhygienic and insanitary conditions around such facilities. Implementation Schedule II of the Municipal Solid Waste Rules, 2000 prescribed activities to be taken up by the Municipality in order to ensure proper storage of solid waste. The audit findings regarding storage of solid waste in 11 sampled ULBs are discussed in the following paragraphs.

(a) Storage facilities not established based upon the quantities of waste generated

ULBs are required to create and establish storage facilities taking into account the population densities and the quantities of waste generation in a given area.

Audit noticed that three²⁵ out of the 11 sampled ULBs did not establish storage facilities for waste material in their wards. In Yairipok MC, there were nine wards out of which there were only four dust bins in three wards for storage of waste. There was also no system of door-to-door collection of waste in the said three municipalities.

Audit also noticed that there was no record to show that the capacities of the storage facilities for waste material placed in the commercial areas of the 11 sampled ULBs had been created based on the quantities of waste generated in the area.

(b) Unhygienic Storage facilities

Storage facilities are required to be set up by the Municipal authorities and should be designed so that the stored waste material are not exposed to open atmosphere and are aesthetically acceptable and user friendly. As per Schedule II (3) of the Municipal Solid Waste Rules, 2000, municipal authorities shall establish and maintain storage facilities in such a manner so that the same do not create unhygienic conditions around.

There was no record for the assessment of requirement of storage by the ULBs. Audit noticed that in all the 11 sampled ULBs, storage facilities created, were not covered and were exposed to open atmosphere as shown in the photographs given below.

²⁵ (i) Kumbi MC (ii) Kwakta MC and (iii) Lilong Thoubal.

Photograph No. 1.2.4 Photographs showing uncovered waste storage facilities at Yairipok MC and Bishnupur MC



Overflowing and scattered storage at Yairipok MC (04 August 2018)



Uncovered storage facilities at Bishnupur MC (30 July 2018)

While accepting the audit observation, the Department attributed (December 2018) non-establishment of storage facilities and piling up of waste to shortage of manpower and financial constraints. The Department also stated (December 2018) that they were in the process of introducing mobile compactors for compaction of solid waste and transportation to the plant site. The reply was not tenable as the ULBs were not performing their basic duties in this regard.

(c) Non-implementation of three bin system

Municipal Authority is responsible for ensuring storage of waste material in three bin system as per Schedule II (3) of Municipal Solid Waste Rules, 2000 and Rule 15(h) of SWM Rules, 2016. Separate bins for storage of biodegradable waste are painted green, those for storage of recyclable waste are painted white and those for storage of other waste are painted black for the clear distinction.

It was observed that all the sampled ULBs adopted a different bin system, comprising two bins system only (*Green bins for Wet waste and Blue bins for Dry waste*). This practice could lead to mixing of hazardous waste with other waste, causing possible adverse environmental impact.

While accepting the audit observation, the Department stated (December 2018) that bin for deposition of hazardous waste would be placed in a common centre in future.

(d) Storage facilities set up by municipal authorities not attended to regularly

Storage facilities set up by the municipal authorities were to be attended regularly for clearing of waste in order to avoid odour and environmental pollution.

Audit noticed that storage facilities in four²⁶ of the sampled 11 ULBs were not regularly cleared of waste, as was evident from the following photographs.

²⁶ Lilong (Thoubal) MC, Yairipok MC, Bishnupur MC and Thoubal MC.

Photograph No. 1.2.5 Photographs showing unattended waste at Yairipok MC and Lilong (Thoubal) MC



*Unattended waste at Yairipok MC
(04 August 2018)*



*Unattended waste at Lilong (Thoubal) MC
(30 July 2018)*

Audit also noticed that one concrete dust bin at Keram (Ward No. 5) of the Yairipok Municipal Council was stated (September 2018) to be demolished by the public as the waste deposited in the dust bin was not regularly being cleared by the municipality and the uncollected decomposed waste was creating unhygienic condition and unbearable odour in the nearby locality.

On this being pointed out, the Department stated (December 2018) that the matter would be examined and appropriate action would be taken. However, report on action taken was awaited (January 2019). There is a need to take appropriate action in the matter.

1.2.9.6 Absence of storage for domestic hazardous waste

As per SWM Rules, 2016, the ULBs are mandated to ensure safe storage and transportation of the domestic hazardous waste such as discarded paint drums, pesticide cans, CFL bulbs, tube lights, expired medicines, and used needles and syringes to the hazardous waste disposal facility or as may be directed by the State Pollution Control Board.

In all the 11 sampled ULBs, there was no facility created for disposal of the domestic hazardous waste and as a result, it was apparent that household hazardous wastes were being mixed with other waste streams. There was also no record of any direction from MPCB to the ULBs for creation of facilities for disposal of domestic hazardous waste.

The MPCB stated (December 2018) that they had issued directive to the ULBs. However, documents in support of their claim of action taken were not furnished (May 2019) to Audit. Government, therefore, may take appropriate action in the matter.

1.2.9.7 Non-existence of material recovery facilities

The National Action Plan for Municipal SWM envisaged that every State needs to promote setting up of material recovery facility to segregate and recover valuable matters from household waste. Public should be encouraged to transport such material to the facilities. Rule 15 (h) of SWM Rules, 2016 also requires ULBs to set up material recovery facilities to enable recovery of

valuable matters from household waste for their reuse and to recycle to save resources and to minimize the amount of waste disposed in landfills.

Audit scrutiny revealed that there was no material recovery facility existing in all the 11 sampled ULBs as of August 2018. Absence of material recovery facility would hamper the objective of waste reduction and reuse of waste.

The Department admitted the audit observation and stated (December 2018) that a rudimentary form of material recovery was done informally by the rag pickers. The reply was not acceptable as collection of waste by rag pickers was not akin to that of material recovery facilities. Thus, efforts were needed for creation of material recovery facility by the MCs individually or by adopting cluster practice, as feasible.

Transportation of waste

1.2.9.8 Transportation vehicles carrying solid waste not covered from top

The implementation Schedule II of Municipal Solid Waste Rules, 2000 specified activities to be carried out by the ULBs to ensure that transportation of solid waste for processing and disposal takes place in such a manner that the waste is neither visible to the public nor exposed to the environment.

Audit noticed that five²⁷ out of the 11 sampled ULBs were not using covered vehicles. The wastes were being transported in uncovered vehicles thereby not only exposing waste to the environment but also bearing the risk of spilling of waste material during transportation.

While accepting the audit observation, the Department stated (December 2018) that instructions would be issued to all the ULBs for covering the vehicles transporting garbage.

1.2.9.9 Non-implementation of ICT based solution

As per the Ministry of Urban Development's instructions (May 2016), ULBs need to ensure "Information and Communications Technology (ICT)" based solution for tracking of municipal vehicles engaged in collection and disposal of solid waste for increasing efficiency of the operations and saving of time and fuel costs. During 2013-18, the 11 sampled ULBs engaged 40 vehicles for the collection and disposal of solid waste. However, none of the vehicles had ICT based solution for tracking and monitoring of vehicles for efficient SWM.

On this being pointed out, the Department stated (December 2018) that GPS tracking system was already installed for IMC, but there was no monitoring of the system. The Department, however, assured that the ICT system would be in place in the IMC when smart city project becomes operational. The Department was silent about the status of use of ICT by other MCs and on the expected date of completion of smart city project.

Thus, the transportation system of solid waste failed to comply with the Ministry's instructions for use of ICT during the period of audit coverage.

²⁷ (i) Bishnupur MC, (ii) Kwakta MC, (iii) Lilong (Thoubal) MC, (iv) Kumbi MC and (v) Ningthoukhong MC.

Processing and disposal of wastes

1.2.9.10 Processing of waste

The implementation schedule (Schedule II) in the MSW Rules 2000 and Rule 15 (v) of the SWM Rules, 2016 specified that the municipal authorities shall adopt suitable technology to minimize the burden on landfill.

Audit examined to see whether the 11 sampled municipalities carried out activities related to processing of waste. Audit observations are shown in the following table.

Table No. 1.2.5 Activities of processing solid waste

Sl. No.	Activities related to processing of waste to be undertaken by the municipality	Number of sampled MCs that did not comply with Activities
1	Biodegradable waste processed by composting, vermi-composting, anaerobic digestion or any other appropriate biological processing for stabilisation of waste	11
2	Use of incineration with or without energy recovery including palletisation for processing waste in specific cases	11
3	Waste processing or disposal facilities include composting, incineration, palletisation, energy recovery	10

Source: Records of the Department.

It is evident from the above details that waste processing facilities in the 11 sampled MCs were not sufficient with only one solid waste processing plant for Imphal city at Lamdeng. There were no waste processing facilities in the remaining 10 sampled ULBs. Further, the lone solid waste management plant was also restricted to the composting of solid waste as of March 2018. Thus, absence of processing facilities would lead to transportation of huge quantity of mixed solid waste to the landfill or open dumpsites.

While accepting the audit observation, the Department stated (December 2018) that such issues would be taken care of when cluster approach becomes operational.

1.2.9.11 Disposal of waste

Disposal is the final process in the management of solid waste. Safe disposal of post processed residual solid waste and inert street sweeping and silt from surface drains on land is essential in order to prevent contamination of ground water, surface water, ambient air and attraction of animals or birds.

The SWM Rules, 2016 mandate that only the non-usable, non-recyclable, non-biodegradable, non-combustible and non-reactive inert waste and pre-processing rejects and residues from the waste processing facilities shall be disposed at the sanitary landfills. Implementation Schedule II of the Municipal Solid Waste Rules, 2000 specified that the landfilling should be done only under unavoidable circumstances or till installation of alternate facilities and that landfilling should be done by following norms given in Schedule III of the Rule *ibid*.

Audit noticed that only seven²⁸ of the 11 sampled ULBs had established open dumpsites. In IMC, the mixed solid waste was being transported and disposed of, at the open dump yards located at different locations without any processing or treatment till December 2016. Upon operationalisation of the SWM plant at Lamdeng in December 2016, waste had been transported to the plant for processing. IMC maintained 17 dumpsites²⁹(excluding Lamdeng Plant) during the period 2013-14 to 2017-18 for disposal of the solid waste generated within the jurisdiction of IMC.

It was observed in audit that landfilling was not restricted to the non-biodegradable inert waste in all of the 11 sampled ULBs. Mixed wastes were being dumped in the open dumpsites, roadsides and private lands. The activities for disposal of waste organised by the ULBs was in violation of the SWM Rules, 2016, as all the sampled ULBs were disposing mixed solid waste in the open dumpsites.

While admitting the audit observation, the Department stated (December 2018) that disposal of waste in open dump yard was practiced when the plant at Lamdeng was not in working condition. The Department also stated that when the phase II of the project becomes operational, this issue would be resolved.

Thus, the mixed waste being deposited in the open dumpsites, would result in formation of leachate and contamination of groundwater, foul odour and emission of methane gas causing nuisance to the environment due to the decomposition of biodegradable waste. Thus, this practice which could pose health hazards needs to be stopped forthwith by the MCs.

Recommendation (6): Disposal of garbage in open dumpsites, roadsides, etc., should be stopped immediately and processing of waste scientifically should be ensured at the earliest by the MCs.

1.2.9.12 Improper maintenance of dump yards

As per Schedule II (6) of the MSW Rules, 2000 and Rules 15 (zi) of the SWM Rules, 2016, landfilling should be restricted only to the non-usable, non-recyclable, non-biodegradable, non-combustible and non-reactive inert waste and pre-processing rejects and residues from the waste processing facilities. Rule 15 (zh) of the SWM Rules also envisaged that the municipal authorities should stop landfilling or dumping of mixed waste soon after the setting up and operationalisation of sanitary landfills.

Construction of the waste processing facility at Lamdeng was completed in November 2014 and trial period for three months was over in February 2015. Afterwards, the overall handling and operationalisation of the facility was entrusted to the Planning and Development Authority. Further, the possession of the facilities for operation, maintenance and upgradation of the Plant was handed over to a private party viz., IEC TSL Private Limited, in December 2016 in PPP mode by executing a tripartite concession agreement between the

²⁸ (i) IMC, (ii) Jiribam MC, (iii) Thoubal MC, (iv) Bishnupur MC, (v) Kumbi MC, (vi) Ningthoukhong MC and (vii) Mayang Imphal MC.

²⁹ 12 dumpsites before operation of the Plant and five dumpsites even after the operation of the Plant.

Department of MAHUD, Department of Power, Government of Manipur and IEC TSL Private Limited.

Joint physical verification of the dumpsites within the jurisdiction of IMC revealed that dumping of mixed waste in open dumpsites without processing was still in practice despite the establishment of processing plant, thereby violating the provisions of the rules *ibid*. The very objective of establishment of waste processing facility was being compromised.

Further, Schedule III of MSW Rules, 2000 and Schedule I of SWM Rules, 2016 provides that landfill shall be fenced or hedged with proper gate to monitor the incoming vehicles or other mode of transportation. The site should be well protected to prevent entry of unauthorised persons and stray animals and it should be located away from the highways, habitations, wetland, *etc*.

Audit noticed that the IMC maintained dumpsites in the wetland and near the water bodies, human habitations, State and National highways, *etc*. There was no arrangement to prevent trespassing of unauthorised persons and stray animals in and around the disposal sites as would be evident from the following photographs.

Photograph No. 1.2.6 Photographs showing stray animals trespassing at dumpsite due to lack of fencing at Khabeisoi (IMC)



Stray animals at dumpsite due to lack of fencing at Khabeisoi (IMC) (10 July 2018)

It was observed that the fencings were not provided and cattle were wandering in and around the dumpsites. In none of the cases of dumpsites, the authorisation of the MPCB was obtained by IMC.

In six Municipal Councils³⁰, mixed solid waste collected had been dumped in the identified dumping sites. The dumpsites, except in case of Bishnupur MC, were neither fenced/hedged nor provided with proper gate to monitor the incoming vehicles of transportation. The dumpsites were not well protected to prevent trespassing of unauthorised persons and stray animals as is evident from the following photographs.

³⁰ (i) Thoubal MC, (ii) Mayang Imphal MC, (iii) Jiribam MC, (iv) Kumbi MC, (v) Ningthoukhong MC and (vi) Bishnupur MC.

Photograph No. 1.2.7 Photographs showing scattering of waste at dumpsite due to lack of fencing at Thoubal MC



*Scattering of waste due to lack of fencing at Thoubal Khunou, Thoubal MC
(11 July 2018)*

Thus, these open dumpsites were not maintained as prescribed, thereby posing potential threat for stray animals and deterioration of the ambient air and water quality.

While admitting the audit observation, the Department stated (December 2018) that in future, open dump yard would be closed in a scientific manner.

1.2.9.13 Non-availability of land for solid waste management

Landfilling is the unavoidable component of the waste disposal process for municipal SWM. As per SWM Rules, 2016, landfill site shall be large enough to last for at least 20 to 25 years.

Audit noticed that four³¹ out of the 11 sampled ULBs had no land of their own for solid waste disposal or did not establish landfilling sites. Resultantly, the waste was being disposed of at various places as described below:

- Kwakta MC resorted to disposal of solid waste on the roadside of a National Highway just behind the Sericulture Training Centre of the State Government, due to non-availability of land of its own, at an unsuitable place in an unauthorised manner.

Photograph No. 1.2.8 Photograph showing disposal of solid waste on the roadside at Kwakta MC



*Dumping of waste on the roadside (Kwakta MC)
(06 August 2018)*

³¹ (i) Kwakta MC, (ii) Yairipok MC, (iii) Lilong Thoubal MC and (iv) Lamlai MC.

- Lilong (Thoubal) MC was disposing waste on the roadside of the National Highway near Lilong Haoreibi College and the Mairenkhun School in an unauthorised manner as depicted below.

Photograph No. 1.2.9 Photographs showing disposal of solid waste on the roadside at Lilong (Thoubal) MC



*Dumping of waste near Lilong Haoreibi College (Lilong (Thoubal) MC)
(28 July 2018)*



*Dumping of waste near Mairenkhun school Maning (Lilong (Thoubal) MC)
(30 July 2018)*

- Lamlai MC was disposing solid waste in non-patta State land.

Indiscriminate disposal of waste by the MCs not only poses nuisance to the general public but also leads to health hazards to the residents in vicinity.

On being asked, the Department stated (December 2018) that this was due to non-availability of suitable land and financial constraints. The reply of the Department was not acceptable as there was no record of any proposal ever sent to the Government for allotment of land or provision of funds for acquisition of land. It is imperative for the Department to find suitable land for disposal of waste in a proper manner.

1.2.9.14 Operation of dumpsites without authorisation

(i) As per Municipal Solid Waste Rules, 2000, selection of landfill sites shall be based on examination of the environmental issues. The site should be away from the habitation clusters, forest areas, water bodies, wetlands, national parks, *etc.* Further, as per the Manipur Conservation of Paddy Land and Wetland Act, 2014, the holder of paddy land shall not undertake any activity for the reclamation of such paddy land without observing the provisions of the Act.

It was observed that the IMC was dumping mixed waste in low lying paddy fields owned by private individuals based on mutual understanding. The utilisation of the paddy field, without the permission of Revenue Authorities was illegal and this act was liable to defeat the efforts of the Government for the preservation of paddy land. This would not only result in shrinkage of paddy field in the State but also cause nuisance and health hazard to the nearby localities. The following photographs depict dumping of mixed waste in the paddy fields.

Photograph No. 1.2.10 Photographs showing dumping of mixed waste in the paddy field at Khabeisoi (IMC)



*Mixed waste at Dumpsite at Khabeisoi (IMC)
(10 July2018)*



*Paddy field near Dumpsite at Khabeisoi (IMC)
(10 July2018)*

(ii) As per Rule 16(a) of SWM Rules, 2016, the State Pollution Control Board shall enforce these rules in their State through Local Bodies in their respective jurisdiction and review implementation of these Rules. As per Rule 6 (2), (3), (4) of the Municipal Solid Waste Rules, 2000 and Rules 16 (b), (c), (d) and (e) of SWM Rules, 2016, the IMC shall apply for granting of authorization from MPCB for setting up waste processing and disposal facility including landfills. Further, the rules provide that the State Pollution Control Board should issue authorization in Form-III to the municipal authority or an operator of a facility within forty-five days stipulating compliance criteria and standards as specified in Schedules II, III and IV including such other conditions, as may be necessary. The authorization shall be valid for a given period and after the validity is over, a fresh authorization shall be required.

Audit noticed from the records of seven sampled MCs that during 2013-14 to 2017-18, there were 23 landfill sites excluding Lamdeng Plant (as shown in *Appendix 1.6*). The MCs had not obtained any authorisation from the MPCB for operating the dumpsites. Though the MPCB was supposed to be aware of the existence of such sites as part of its mandate and enforcement duties to guard against such illegalities, MPCB stated (December 2018) that it was not aware of operation of landfill sites in and around the MCs in the absence of intimation from the MCs for operation of such landfills.

The MPCB stated (December 2018) that authorisation for operation of landfill/ dump yard by the three sampled ULBs was issued but it had expired in 2008. Thereafter, no application for renewal was received from the ULBs.

On this being pointed out, the Department stated that necessary permission would be obtained from the MPCB.

Thus, the landfill sites were being operated by the MCs without seeking the MPCB's authorisation as was required and that the MPCB cannot escape from its mandated duties.

Enforcement and Compliance to provisions of Acts and Rules

1.2.9.15 *Non-adoption of the Manipur Municipalities (Cleanliness and Sanitation) Bye-laws*

As per Rule 15(e) of SWM Rules, 2016, the Local Bodies are responsible for framing bye-laws incorporating the provisions of these rules within one year from the date of notification of these rules and ensure timely implementation. The State Government framed (December 2009) the Manipur Municipalities (Cleanliness and Sanitation) Bye-Laws, 2009 and published the same in the official gazette for the guidance of the Municipalities. Largely, the model bye-laws already had the provisions of the SWM Rules, 2016 as far as duties and responsibilities of the waste generators and municipalities are concerned. It also incorporated penalties for breach of the provisions of the bye-laws as schedule in the bye-laws.

Audit noticed that two³² out of the 11 sampled ULBs had adopted the Manipur Municipalities (Sanitation and Cleanliness) Bye-laws as of March 2018 while the remaining nine municipalities had not taken similar action. Of the nine municipalities where there were no bye-laws, the Kumbi MC had submitted (January 2018) the bye-laws for seeking approval of the State Government but the State Government had not conveyed their approval till date (January 2019). Thus, in the absence of bye-laws duly approved by the State Government, the Local Bodies were not empowered to act against non-compliant waste generators and to penalize them for breach of the provisions of the bye-laws, though the Audit did not notice any action taken against violators even in the cases where such MCs which had adopted the said bye-laws.

The Department stated (December 2018) that necessary instructions would be issued to the ULBs to adopt the bye-laws at the earliest. However, the Department did not give any reply about the delay in approval of the bye-laws by the Government.

1.2.9.16 **Non-prescription of user fee**

As per rule 15 (f) of the SWM Rules, 2016, the ULBs are required to prescribe user fee as deemed appropriate from time to time and to collect the same from the waste generators on their own or through an authorized agency.

Audit noticed that three³³ out of 11 sampled ULBs had not prescribed and collected any user fees from the waste generators as of August 2018.

The Department stated (December 2018) that necessary instructions would be issued to the ULBs for the enforcement of user fee from the waste generators.

Human Resources Issues

1.2.9.17 **In adequate manpower**

For planning an efficient and advanced SWM system, it is essential to have an efficient institutional structure. An effective institutional setup capable of

³² (i) IMC (2012) and (ii) Lamlai MC (February 2018).

³³ (i) Yairipok MC (ii) Lilong (Thoubal) MC (iii) Kwakta MC.

designing, implementing and monitoring the SWM system needs to be established within the local authority. As per the Municipal SWM Manual, the ULBs should have a SWM Cell having technical and managerial staff specific to the jobs.

Audit, however, observed that SWM Cell was not established in any of the 11 sampled ULBs.

In view of the developments having taken place in solid waste management sector, the Supreme Court appointed (January 1998) an Expert Committee to look into all aspects of SWM. The Expert Committee recommended hiring of professionals for proper management of the SWM issues. The requirement of professionals in the 11 sampled ULBs, persons-in-position and shortfall are as shown in the following table.

Table No. 1.2.6 Details of professional manpower in 11 sampled ULBs

Sl. No.	Man-power	Required man-power (Persons-in-position)	Functions and duties	Remarks
A	ULB population: 2.5 lakh to 5 lakh			Only IMC falls under this category based on its population.
1	Assistant Executive Engineer (AEE)	1 (0)	Overall in charge of SWM Department	
2	Assistant Engineer (AE)	1 (1)	Transportation, processing and disposal of waste	
3	Junior Engineer (JE)	1 (1)	Not defined	
4	Sanitary Officer (SO)	2 (0)	Supervise storage, street sweeping and primary collection of waste	
5	Sanitary Inspector (SI)	5 (1)	Supervision of sweepers	
6	Sanitary Sub-inspector (SSI)	10 (0)	Supervision of sweepers	
7	Sanitary Supervisors (SS)	20 (0)	Overall in charge of SWM Department	
B	ULB population less than one lakh			Remaining 10 sampled ULBs fall under this category
1	Sanitary Inspector (SI) (1 per ULB)	10 (3)	Supervision of sweepers	Out of 10 sampled ULBs, only three ULBs viz., Thoubal MC, Mayang Imphal MC and Ningthoukhong MC have one SI each.
2	Sanitary Sub-inspector (SSI) (1 per ULB)	10 (0)	Supervision of sweepers	None of the 10 sampled ULBs have SSI.
3	Sanitary Supervisors(SS) (1 per ULB)	10 (0)	Overall in charge of SWM Department	None of the 10 sampled ULBs have SS.
Total		70 (6)		

Source: Departmental Records.

As seen from the above table, in all the 11 sampled ULBs, there was acute shortage of manpower which was required for an effective SWM system. The shortage in manpower was 64 (91 per cent) against the total requirement of 70 employees.

Further, as per SWM Manual, the ULBs should follow the State Government norms for staffing SWM department. The Government of Manipur created (November 2016) 226 posts of different categories for the ULBs and out of them, 24 posts were of Sanitary Inspectors for deployment in ULBs. In the 11 sampled ULBs, Audit noticed that Sanitary Inspectors for supervision of SWM was available only in four ULBs. Thus, the ULBs had neither followed the staffing norms as recommended by the Expert Committee nor the norms of the State Government. There was no dedicated manpower for SWM in seven sampled ULBs which would have an adverse impact on the handling, monitoring and supervision of the SWM system.

The Department stated (December 2018) that approval of Cabinet for recruitment of 195 posts had already been received. However, the recruitment had not been made, which needed urgent action by the Government.

1.2.9.18 Training and capacity building

As per the Municipal SWM Manual, training and capacity building activities should include senior officers, collection staff and transportation staff. Special training should be organized for unqualified staff and sanitation workers, ground level staff like sanitary supervisors, junior engineers, *etc.*, to enhance their capacities in SWM activities.

It was observed that there was no annual calendar of training prepared in IMC. In the absence of any training need analysis, only one Assistant Municipal Commissioner attended training on (i) mainstreaming waste pickers in SWM; (ii) methods for reducing collection of wet waste in municipalities; and (iii) neighborhood level solutions for waste to energy under the e-course portal of Swachh Bharat Mission. In the remaining 10 sampled MCs, there was no record for training of officers and staff of the ULBs available for the period 2013-18. There was also no training need analysis done in the ULBs.

On this being pointed out, the Department stated (December 2018) that 38 representatives of ULBs attended Swachh Survekshan 2018 for North East Region at Guwahati for two days during September 2017. Further, solid waste management in the MCs is within the purview of the ULBs. They could seek assistance from the Department for conducting the training. The reply of the Department confirmed that except training for Swachh Survekshan 2018 for two days, the officers and staff of the remaining 10 sampled ULBs did not attend any training on solid waste management during 2013-18.

Thus, the ULBs should consider providing regular training for SWM by undertaking training need analysis followed by robust planning for carrying out training activities as lack of trained manpower would affect the implementation of SWM effectively.

1.2.10 A Special Case Study

A case study of the Imphal Municipal Corporation with regard to solid waste management

1.2.10.1 Introduction

The Imphal Municipal Corporation is the only Class I city with a population of 2.68 lakh as per the 2011 Census. There are 27 wards under the IMC and it is the only Corporation and the largest ULB in the State. Solid waste management of the Imphal city in accordance with the Municipal Solid Waste (Management and Handling) Rules, 2000 which was amended in 2016 as SWM Rules is one of the obligatory functions of IMC. Basic information of the IMC is shown in the following table.

Table No. 1.2.7 Basic information of the IMC

Sl. No.	Basic information	
1	Number of households	57,764
2	Number of shops	8,200
3	Market vendors	2,446
4	Hotels	65
5	Restaurants	290
6	Colleges	6
7	Hospitals	12
8	Medical units/clinics	2
9	Cinema halls	5

Source: Records of the IMC.

1.2.10.2 Sources of solid waste

The major sources of solid waste in Imphal are shown in the following table.

Table No. 1.2.8 Details of sources of solid waste in Imphal

Sl.	Source of waste	Percentage of generation
1	Domestic	79.65
2	Construction	14.03
3	Agriculture	5.26
4	Bio-medical	<1.0
	Total	100

Source: DPR-Solid Waste Management Scheme for Imphal Town.

1.2.10.3 Composition and characteristics of waste

As per the DPR for SWM Scheme for Imphal Town, 60 *per cent* of the waste of the city is compostable and the remaining 40 *per cent* is non-compostable. Waste from construction activities constitute about 14 *per cent*.

1.2.10.4 Quantity of waste generation

The quantity of waste generation in Imphal in 2006 (projected based on 2001 census) with per capita contribution of 300 gram per person per day was estimated at 70.20 tonnes per day (TPD). Imphal is the main centre for selling and distribution of vegetables, chicken, fish and meat products in the State and hence, waste generation from these sources was also required to be considered.

The estimated waste generation of IMC was 95.86 TPD. The assessment was based on the primary data collection by IMC and independent estimation of waste generation by the National Buildings Construction Corporation Limited, for the year 2006.

1.2.10.5 Poor collection of Waste

In IMC, door to door collection of waste was initiated in 2007 by engaging four Non-Governmental Organisations (NGOs). As of March 2018, 10 NGOs were in operation covering all the 27 wards under the jurisdiction of IMC. However, the IMC had been taking care of collection of solid waste from shops and commercial establishments and street sweepings. The IMC executed agreements with the NGOs according to which the NGOs are responsible for collection of solid waste from all the 27 wards of IMC. Details of the NGOs, their area of operation and number of households covered by them as of March 2018 are shown in *Appendix 1.7*.

There were no secondary waste storage facilities³⁴ in IMC. As per the information furnished by NGOs, Audit noticed that as of March 2018, the NGOs had covered 17,847 (31 *per cent*) out of 57,764 households. Thus, there were 39,917 households, yet to be covered by door to door collection of waste and this gap in coverage was also not assessed by the IMC. Such shortage in coverage of door to door collection of waste led to scattering of waste in the Imphal City area as is evident from the following photographs.

Photograph No. 1.2.11 Scattering of waste in Imphal City area



*Scattered waste at New Checkon road
(25 August 2018)*



*Scattered waste at New Checkon road
(25 August 2018)*

³⁴ “Secondary storage” means the temporary containment of solid waste after collection from the households for onward transportation to the processing or disposal facility (No.43 of SWM Rules 2016).



Scattered waste at Hatta
(07 July 2018)



Scattered waste at Nagamapal
(29 August 2018)

Further, as per the agreement, the NGOs were required to collect waste from the households on daily basis.

In reply to audit, the NGOs stated (May 2018) that they collected waste from the household only on weekly basis. Audit also noticed that there was no provision for the NGOs to submit any report to the IMC on the progress of waste collection, coverage of households, *etc.* Hence, there was no Management Information System (MIS) based on which the IMC could monitor the performance of NGOs on regular basis.

As per Rule 15(b) of the Solid Waste Management Rules 2016, ULBs shall arrange for door to door collection of waste from all households.

Audit conducted surveys of 67 out of 57,764 households in 27 wards within the jurisdiction of IMC out of which 42 households (62.69 *per cent*) stated that the collection of waste was done once a week while eight households stated that they had not registered for collection of waste by the NGOs. 39 households stated that there were gaps in collection of waste by the NGOs during which the households resorted to disposal at the roadsides, burning or burying of the waste, *etc.* The above facts indicated the poor collection of waste by the IMC.

While admitting the audit observation, the Department stated (December 2018) that measures would be taken up to enhance the collection of waste. In future, collection of waste would be done on daily basis and the provision for daily collection and punitive action, in case of failure, would be incorporated in the new agreement with the NGOs.

As discussed in the foregoing paragraph, daily collection of waste by the NGOs was already provided in the agreement with the NGOs, but the IMC did not monitor the performance of the NGOs. Thus, the fact remains that the IMC did not ensure compliance to the provision of the agreement by the NGOs.

1.2.10.6 Solid Waste Management Plant of Imphal city at Lamdeng

With the objective of implementation of a full-fledged municipal solid waste plant for Imphal city, the Government of Manipur had set up a SWM Plant for Imphal city in 2014 at a total cost of ₹ 41.75 crore at Lamdeng about 10 km from Imphal city with an area of about 88 acres. The project was funded by the Ministry of Urban Development, Government of India with a sharing pattern of 90:10. The Plant has a capacity to convert 100 MT of Municipal Solid waste to compost per eight hours working shift per day.

The plant was handed over (November 2016) to IEC-TSL Ingenious Energy LLP (selected by following the tender process) on Public Private Partnership mode to perform the following activities:

- operation and maintenance of the Plant for conversion of solid waste to compost; and
- upgradation of the plant within a period of 15 to 18 months from the first appointed date (November 2016).

The concession period for the processing facility was for 30 years extendable for a further period of 10 years. Some of the irregularities/deficiencies noticed in respect of the Plant are discussed in the following paragraphs.

1.2.10.7 Sanitary landfills not meeting the standards

As per SWM Rules, 2016, waste for landfilling shall be compacted in thin layers and the final cover shall have a soil layer. Till the time waste processing facilities for composting or recycling or energy recovery were set up, the wastes were to be sent to the sanitary landfill. The landfill was to be covered at the end of each working day with a minimum of 10 cm layer of soil.

The Audit team visited (August 2018) the Plant at Lamdeng to verify whether the specification envisaged in the SWM Rules, 2016 were being adhered to, by the operator of the facility. Audit, however, noticed that there were heaps of waste more than 10 feet in height in the sanitary landfill without compaction with soil layer.

Photograph No. 1.2.12 Heaps of waste more than 10 feet in height in the sanitary landfill without compaction with soil layer at Lamdeng Plant



*Uncompacted garbage dump height above 10 feet
(20 June 2018)*

The operator of the facility stated (September 2018) that compaction was carried out when the landfill was at the initial stages with little amount of waste. However, the same could not be continued as the heap height of the waste had increased. It was also stated that the landfill site was being used for temporary storage till the Phase 2 starts and the waste would be brought back for power generation. However, the plant operator did not adopt the prescribed standard of covering the solid waste with soil layer. This act of the operator could lead to generation of methane gas and cause fire hazard and spreading of odour in the nearby localities. Thus, this issue needs to be addressed on priority.

1.2.10.8 Non-installation of CCTV surveillance

As per the agreement, the operator should provide CCTV surveillance in the weighbridge to ensure proper and accurate weighing of the solid waste received at the plant. The weighbridge data should also be available online and accessible to MAHUD. However, no CCTV surveillance had been installed in the Plant nor the data had been made available online as of July 2018. There was also no system to monitor proper weighing of solid waste by the MAHUD.

On this being pointed out, the Department stated (December 2018) that provision of CCTV surveillance would be taken care of when the smart city project becomes operational. However, the Department was silent on the expected date of completion of the smart city project.

The reply of the Department was not acceptable as non-installation of CCTV surveillance was in violation of provision of the agreement.

1.2.10.9 Non-provision of personal protection equipment

As per Rule 15(zd) of SWM Rules, 2016, the operator of the facility should provide personal protection equipment including uniform, fluorescent jacket, hand gloves, etc., to the workforce.

Audit noticed that the workers at SWM Plant at Lamdeng were working without any personal protection equipment such as masks, gloves, boots, jackets, etc., which could cause health hazard to the workforce as shown in the following photographs.

Photograph No. 1.2.13 Workers at Solid Waste Management Plant at Lamdeng working without any personal protection equipment



*Workers without any masks, gloves, boots, jackets, etc. at Lamdeng Plant
(20 June 2018 and 24 August 2018)*

The Department stated (December 2018) that the workers were provided with personal protection equipment. However, they did not use the equipment as they were not comfortable using the equipment. The Department further, assured that strict monitoring would be ensured in future.

The reply of the Department confirmed that it did not ensure proper safeguard of the workers in the Plant, which could lead to health hazards to the workers. The Department should, therefore, ensure for using the protection equipment by the workforce in the plant.

1.2.10.10 Non-provision of temporary landfill facilities

As per SWM Rules, 2016, in case of breakdown or during maintenance of the plant, waste intake shall be stopped and arrangement be made for diversion of waste to the temporary processing site or temporary landfill sites. The waste so diverted in the temporary landfill sites will be again reprocessed when plant becomes operational.

Audit noticed that the Plant was in maintenance mode during March 2017 as a result of which there was no waste intake during the month. Arrangements to process the diverted waste material after the Plant came back to normal functioning capacity was also not on record.

The Department attributed above lapse to non-availability of suitable land for establishment of temporary landfill facilities. However, the Department was in the process of finding a second site which would be further watched in audit.

1.2.10.11 Absence of facilities in the Waste Processing Plant

Schedule I and II of the SWM Rules, 2016 specified certain facilities to be in place in the solid waste processing and treatment plant. Audit team visited the Plant at Lamdeng and inspected the facilities available alongwith the officials of the Processing Plant. During inspection, the following deficiencies were noticed in the plant.

- The internal road was neither concreted nor paved, and also not properly maintained due to which stretches of the road were wornout causing inconveniences to the movement of the loaded vehicles.
- There should be proper shed/ room for keeping pollution monitoring equipment in the plant site. However, neither such facility was available in the Plant nor any such equipment was installed in the plant to monitor pollution.
- Health inspection of the workers at landfill sites should be conducted on regular basis. No such system was in place.
- There should be facility for washing of the transportation vehicles of solid waste in the processing Plant. However, no such facility was found in the place.

The Department stated (December 2018) that pollution monitoring equipment in the plant site would be installed when smart city project was completed. For health inspection of workers and washing of transportation vehicles, the Department stated that instructions would be issued to the plant operator. However, a follow-up action in this regard was not reported to Audit (December 2018). As such, the Government needs to ensure necessary facilities are provided in the solid waste processing and treatment plants.

1.2.10.12 Delay in commencement of Phase 1(b) of the Project

As per the Concession agreement (August 2016), Phase 1(b) will start from the date, which shall not be later than 210 days from the First Appointed Date (28 November 2016) or six months from the date from which the Power Department provides power infrastructure. During this phase, power will be

generated in addition to the compost. The plant became operational in December 2016 with a capacity of conversion of 100 tonnes per day (TPD) to compost. Considering 28 November 2016 as the First Appointed Date, Phase 1(b) of the project was due to commence by June 2017.

Audit noticed that as of August 2018, the Phase 1(b) was yet to be commenced by the plant operator. However, the Plant operator had just started installation of necessary infrastructure for the phase. The MAHUD continued to incur huge expenditure as payment of tipping fee³⁵ to the plant operator due to the non-commencement of the phase.

The Department stated (December 2018) that they were planning to implement the Phase 1(b) shortly.

Recommendation (7): Priority should be given for implementation of Phase 1(b) of the Solid Waste Management Plant of Imphal city at Lamdeng in order to reduce expenditure of the State Government towards payment of tipping fees to the Plant operator.

1.2.10.13 Compost quality not tested in line with the Fertilizer Control Order 2009 and 2013

As per Schedule II of the SWM Rules, 2016, for safe application of compost, the specifications for compost quality envisaged in Fertiliser Control Orders (FCO), 2009 and 2013 shall be met. The Plant got sample of compost tested by ICAR Research Complex for NER Region, Lamphelpat (March 2017) and the CSIR North East Institute of Science and Technology, Jorhat, Assam (July 2018). The ICAR conducted quality test of the compost on three parameters namely; Nitrogen (N), Phosphorous (P) and Potassium (K). The ICAR, thereafter, recommended testing for micronutrient and presence of heavy metal for application of the compost on crops. But the same was yet to be tested by the Plant operator.

The CSIR conducted test on chemical constituents like moisture, colour, odour, pH value, conductivity, bulk density, total organic carbon and particle size. The parameters as per the FCO and parameters tested are shown in ***Appendix 1.8***.

Audit observed that tests for heavy metal parameters as envisaged in the Fertilizer Control Orders 2009 and 2013 were not conducted. It was also observed that the Plant operator had been selling compost to the farmers in the State for application on various crops without verifying the specifications of the compost as per Fertilizer Control Orders 2009 and 2013.

On this being pointed out, the Department stated (December 2018) that they would examine the non-compliance to specifications of the Fertilizer Control Orders 2009 and 2013, the outcome of which was awaited.

³⁵ Fee payable by the MAHUD to the Plant operator for disposal of waste at the Plant site.

1.2.11 Monitoring

1.2.11.1 Non-submission of Annual Reports by ULBs to the authority concerned

As per the Municipal Solid Waste Rules, 2000, each ULB has to furnish an Annual Report on SWM services in Form II (Form IV as per SWM Rules, 2016) to the District Collector/State Pollution Control Board on or before 30 June every year (30 April as per Rule 2016). The annual report would contain basic information on SWM by the local bodies such as (i) quantity of solid waste (ii) estimated quantity of solid waste generated in the local body per day (iii) quantity collected per day (iv) quantity disposed at dumpsite/landfill (v) status of waste management services, *etc.* As per Rule 5(2) of the Rules, 2000 the District Collectors have the responsibility for enforcement of the Rules within their jurisdiction.

Audit observed that none of the 11 sampled ULBs submitted Annual Reports to the Deputy Commissioners concerned. Also, the Deputy Commissioners concerned had not instructed ULBs for compliance to the rules to ensure that the facilities provided in ULBs for waste disposal were as per the standards prescribed in the Rules. Thus, the authorities concerned had not monitored whether the ULBs had complied to the SWM rules during the years 2013-18.

While admitting the audit observation, the Department stated (December 2018) that necessary directives would be issued to the ULBs for submission of periodical reports to the Deputy Commissioners. The MPCB also stated that they would regularly pursue the reports from the ULBs. The MPCB reply was evasive as it failed to perform its role in getting reports from ULBs for proceeding further in the matter. Thus, the supervisory authorities such as DC, MPCB and apex bodies also failed to ensure monitoring over the working of ULBs in this regard. Thus, supervisory bodies need to play proactive role in ensuring compliance to the provisions of rules and acts.

1.2.11.2 Non-submission of annual reports by the State Pollution Control Board to the Central Pollution Control Board

Rule 8 of the MSW Rules, 2000 mandated the State Pollution Control Board (SPCB) to submit to the Central Pollution Control Board (CPCB) an annual report with regard to the implementation of these rules by the 15 September every year. Based on the information received from SPCB, the CPCB shall prepare the consolidated annual review report on SWM and forward it to the Central Government along with its recommendations before the 15 December every year.

Audit noticed that during 2013-18, the MPCB had submitted only one annual report for the year 2014-15 in February 2016 after a delay of five months. No annual reports were submitted by the MPCB to the CPCB for the years 2013-14, 2015-16, 2016-17 and 2017-18. In the absence of the annual reports, the CPCB had no information about the SWM activities in the State.

While admitting the audit observation, the MPCB stated (December 2018) that they could not submit reports to CPCB in the absence of reports from ULBs.

However, the matter would be pursued to arrest the situation, which indicated that the MPCB did not perform its role as expected from it.

1.2.11.3 Non-conduct of review on the implementation of the rules

Rule 12 (b) of the SWM Rules, 2016 requires the District Magistrate to review the performance of local bodies at least once in a quarter on waste segregation, processing, treatment and disposal and take corrective action in consultation with the Commissioner and Director, MAHUD. Rule 16 (a) also provides the SPCB to enforce the rules and to review their implementation at least twice a year in close coordination with MAHUD. In addition to the above, as per Rule 23(2), the State Level Advisory Body should also review the implementation of the Rules once in six months.

As a result of scrutiny of record, Audit observed as under:

- District Magistrates of the sampled ULBs and the MPCB had not performed any such review as was required.
- There was no record provided to Audit regarding communication between the District Magistrates, MPCB and MAHUD with regard to implementation of the above rules in the ULBs.

The MPCB stated (December 2018) that they had conducted the periodical review. However, copies of the report on review conducted by the MPCB were not furnished to Audit, though it was assured in the Exit Conference.

In the absence of any such report, Audit could not ascertain the conduct of review of the performance of Local Bodies by the MPCB. Also, no record for issue of any instructions by the MPCB was found in the sampled 11 ULBs. Thus, in the circumstances, there was a need for the MPCB to perform its role in a proactive manner.

1.2.11.4 Non-monitoring of environmental standards and adherence to conditions for waste processing and disposal sites

Rule 16 of SWM Rules, 2016 laid down that MPCB should monitor the environmental standards and adherence to the conditions as specified in the Rules for waste processing and disposal sites. Schedules I and II of the Rules provide specifications for sanitary landfills and standards of processing and treatment of solid waste.

The Plant at Lamdeng became operational since December 2016. As of June 2018, the Plant had received 36,450 MTs of solid waste, out of which 898 MTs were processed as compost and the rest *i.e.* 35,552 MTs were brought to the landfill. The MPCB *inter alia* was required to monitor ambient air quality at landfill site and at the vicinity on regular basis.

It was, however, observed that the MPCB was capable of monitoring only suspended particulate matter but was not equipped to monitor the gaseous pollutant (August 2018). The MPCB conducted monitoring of suspended particulate in the vicinity of the landfill site during June 2018. Thus, the MPCB had not fully monitored even the ambient air quality in and around the landfill sites as was required under the Rules.

The Board was also required to monitor the compliance with the standards and treatment technology as and when deemed appropriate but not less than once in a year. Audit observed that the MPCB had not conducted any monitoring in order to check whether the Plant had fulfilled the standards and treatment technology as approved, as of March 2018.

On this being pointed out by Audit, the MPCB stated (December 2018) that they had conducted field visit to the Plant site. However, there was no record of conduct of any field visit made available by the MPCB and therefore, the outcome of MPCB's visit remained unascertained in audit.

Recommendation (8): Regular monitoring of the ULBs by the Manipur Pollution Control Board should be ensured for adherence to the prescribed environmental standards and conditions for waste processing and disposal sites as per Rules by the ULBs.

1.2.11.5 Non-maintenance of records

As per Rule 4(4) of the Municipal Solid Waste Rules, 2000 and Rule 24 (2) of SWM Rules, 2016, ULBs were required to maintain basic information relevant to SWM. Audit noticed that all the sampled ULBs did not have the following basic information:

- Estimated quantity of solid waste generated in their respective areas.
- Number/percentage of households and non-residential premises practicing storage of waste at source in domestic bins and in commercial /institutional bins respectively.
- Number/percentage of households and non-residential premises disposing solid waste on the streets.
- Length of roads, streets, lanes, bye-lanes in the ULB that needed to be cleaned.
- Assessment of requirement of storage bins vis-a-vis respective population of ULBs.
- Total capacity of bins placed and total storage capacity of the waste storage depots.
- Quantity of waste land-filled each day.

While accepting the audit observation, the Department assured (December 2018) that special attention would be given for maintenance of records as per rules.

Further, Rule 24 (3) of SWM Rules, 2016 stipulates that each MPCB or Pollution Control Committee as the case may be, shall prepare and submit the consolidated annual report to the CPCB and the Ministry of Urban Development on the implementation of these rules and on the action taken against non-compliant local bodies by the 31 July of each year in Form-V.

Similarly, as in the case of ULBs, there were also no records maintained by the MPCB on the matters which required reporting in the Annual Reports during 2015-16 to 2017-18. The details of matters for which no records were maintained are shown in the following table:

Table No. 1.2.9 Non-maintenance of records by MPCB

Sl. No.	Matters regarding which records were not maintained by MPCB
1	A Summary Statement on progress made by local bodies in respect of solid waste management
2	A Summary Statement on progress made by local bodies in respect of waste collection, segregation, transportation and disposal
3	A summary statement on progress made by local bodies in respect of implementation of Schedule II (standards of processing and treatment of solid waste)
4	Solid waste generation in the state (TPD), data on solid waste collected, treated and land filled
5	Compliance to Schedule I of SW Rules regarding Good practices in cities/towns, House-to-house collection, Segregation, Storage, Covered transportation, <i>etc.</i>
6	Category-wise Solid Waste processing facilities setup
7	Category-wise Processing facility operational
8	Category-wise Processing facility under installation/planned
9	Data on disposal of solid waste in respect of landfill sites identified, constructed, under-construction, in operation, exhausted, capped, <i>etc.</i>
10	Data on Solid Waste Dumpsites regarding number of existing dumpsites, dumpsites reclaimed/capped, dumpsites converted into sanitary landfills
11	Data on monitoring at Waste processing/Landfills sites regarding facility-wise quality of ambient air, ground-water, leachate, compost, Volatile Organic Compounds (VOCs)

Source: Departmental Records.

Non-maintenance of records regarding solid waste management would not only hamper the effectiveness in implementing solid waste management activities by the ULBs but also hamper effective monitoring by the MPCB. This indicated lack of initiative both at the level of implementation by the ULBs and monitoring by the MPCB.

1.2.12 Conclusion

There was lack of planning for management of solid waste in the sampled ULBs except those included in the Cluster based waste management. Planning was also inadequate and ineffective in respect of those ULBs in Cluster as it did not represent seasonal variations. The ULBs did not prepare separate budgets for meeting the expenditure of solid waste management and also did not prepare plans which limited the effective execution of waste management activities. Moreover, there was no reliable information about the quantum and composition of waste generated in their respective jurisdiction in six out of 11 sampled ULBs. There was huge gap between the quantum of waste generated and disposed. The majority of the waste was disposed of as mixed waste without processing as per existing norm, thereby creating threat to the environment and health of the public.

There were instances of burning of waste disposed at the disposal sites owned by the municipalities. There were no facilities in any of the 11 sampled ULBs for disposal of domestic hazardous waste which resulted in mixing up of such hazardous waste with other wastes. The landfills maintained in the sampled ULBs had not adhered to the conditions specified in the Solid Waste Management Rules, 2016. The ULBs were not submitting annual reports containing basic information on progress of solid waste management to their respective Deputy Commissioners, MAHUD and MPCB. The MPCB, as was required, did not conduct monitoring of environmental standards and adherence to conditions for waste processing and disposal sites which resulted in non-assessment of environmental impact of the Plant. The Plant operator did not conduct quality testing of compost in line with the specification of Fertilizer Control Orders 2009 and 2013. Thus, based on the audit findings from 11 ULBs sampled out of 27 ULBs, it could be concluded that the objectives of implementation of SWM was not fully achieved in the State.

COMPLIANCE AUDIT

RURAL DEVELOPMENT AND PANCHAYATI RAJ DEPARTMENT

1.3 Undue benefit

Erroneous adoption of rates in preparation of estimates resulted into a liability of extra expenditure of ₹ 91.21 lakh as undue benefit to Construction Committees, of which ₹ 53.92 lakh had been paid.

Multi-sectoral Development Programme (MsDP) is an area development initiative/programme of the Government of India to address development deficits in the minority concentration areas by creating socio-economic infrastructures and providing basic amenities. As per Para 5.3 of MsDP guidelines, the estimates/Detailed Project Report (DPR) are required to be prepared based on the latest Schedule of Rates in the State.

Further, as per para 14.1 of Manipur Public Works Manual, 2014, tenders should be invited for all works costing more than ₹ 50,000 and as per Rule 21 of the General Financial Rules (GFR), 2005, every officer incurring or authorising expenditure from public funds should be guided by high standards of financial propriety and strict economy.

Scrutiny of records (July 2017) of the District Rural Development Authority (DRDA), Thoubal revealed that preliminary estimates of three buildings³⁶ costing ₹ 12.43 crore were prepared (November 2015) based on the Plinth Area rates of the Manipur Schedule of Rates (MSR) 2012. The Empowered Committee for MsDP approved (December 2015) an amount of ₹ 10.26 crore³⁷ and accordingly, the State Government accorded (February 2016) Administrative approval of the amount. Technical approval for the work was accorded in April 2016.

In a District Level Meeting (February 2016) held under the chairmanship of Executive Director, DRDA, Thoubal, it was decided to constitute *Construction Committees* with the Local MLA as Chairman and one nominated representative of the locality as Member Secretary. The construction work was handed over to the *Construction Committees* and undertaken through the Member Secretary. As such, no tender was called in violation of the Manual *ibid*.

DRDA, Thoubal prepared (April 2016) the Detailed Project Reports (DPR) by adding 20 *per cent* to the rates of MSR 2013, apparently to factor-in the cost of escalation between the intervening period *i.e.*, MSR 2013 rates and rates prevalent in April 2016. Audit, however, observed that addition of 20 *per cent* as cost escalation was done arbitrarily without any basis. As on July 2017, an amount of ₹ 4.47 crore was paid to the Member Secretaries of the *Construction Committees* as advance in three instalments³⁸.

³⁶ (i) Community Health Centre (CHC), Haoreibi; (ii) CHC Sugnu and (iii) Primary Health Centre, Pallel.

³⁷ After deduction of VAT, Agency Charges and Contingency charge.

³⁸ 27 February 2016, 20 April 2016 and 11 August 2016.

Audit, however, observed that when DPR was prepared in April 2016, MSR 2015 was in vogue as it was published on 15 December 2015. Factually, MSR 2015 was published before the sanction (23 December 2015) of the amount by the Central Government and four months before the DPR was prepared (15 April 2016). Thus, according to the MsDP Guidelines *ibid*, DPR should have been based on MSR 2015 instead of MSR 2013 rates plus 20 *per cent* thereon, as was done.

A comparative analysis of the approved estimates (*MSR 2013 plus 20 per cent*) and MSR 2015 rates revealed that the cost was higher by ₹ 91.21 lakh in the former case. As of July 2017, work was done for an amount of ₹ 4.05 crore³⁹, of which excess expenditure due to adoption of higher rates was ₹ 53.92 lakh. The liability of excess payment and excess payment made as on July 2017 is shown in the table below.

Table No. 1.3.1 Details showing liability of excess payment and excess payment made

(₹ in lakh)

Particulars	CHC Haoreibi	CHC Sugnu	PHC Pallel	Excess Liability/ Excess payment
(1)	(2)	(3)	(4)	(5) (2 + 3 + 4)
Liability of excess payment, <i>out of which</i>	27.90	33.39	29.92	91.21
Excess payment made	18.93	21.05	13.94	53.92

Source: Departmental Records.

(Detailed calculation is shown in Appendix 1.9 and in Appendix 1.10)

On the above being pointed out, the DRDA, Thoubal stated (December 2018) that the Estimates based on MSR 2013 was approved by the State Government and Empowered Committee of the Ministry of Minorities before the publication of the then latest MSR of 2015. The reply furnished by the DRDA was not factually correct as MSR 2015 was published on 15 December 2015 even before sanction of the amount by the Central Government (23 December 2015) and four months before the DPR was prepared (April 2016). Thus, the Department has not followed the guidelines of MsDP while preparing the estimates.

In terms of the Para 5.3 of MsDP guidelines, the MSR 2015 which was the latest one should have been adopted instead of relying on rates as per MSR 2013 *plus 20 per cent* to prepare the estimates of the works in arbitrary manner. The DRDA also failed to issue tender for the works for a competitive bidding and instead awarded the work to Construction Committees and thus, failed to perform duties in compliance to high standards of financial propriety and strict economy as was required as per GFR.

Thus, adoption of erroneous MSR rate in preparation of estimates by the DRDA and awarding the work without going for tendering process resulted in creation of a liability of extra expenditure of ₹ 91.21 lakh, of which ₹ 53.92 lakh was already paid as undue benefit to the Construction Committees which calls for fixing of responsibility of erring officials.

³⁹ Against advance payment of ₹ 4.47 crore, as on May 2019, the works in respect of CHC, Sugnu was reported as completed and physical progress of other works were at 90 *per cent*. However, details of each items of work was not furnished. Therefore, the money value of the para was based on the information made available as on date of audit *i.e.*, July 2017.

1.4 Mis-utilisation of funds

Scheme funds amounting to ₹ 63 lakh was irregularly diverted towards payment of salary and wages, leading to mis-utilization of funds.

As per Rule 26 (ii) of General Financial Rules (GFR), 2005, the controlling officer in respect of funds placed at his disposal should ensure that the expenditure is incurred for the purpose for which funds have been provided.

Scrutiny of records (July 2017) revealed that Executive Director, District Rural Development Agency (DRDA), Churachandpur drew an amount of ₹ 63 lakh from two schemes viz., Members of Legislative Assembly Local Area Development Programme (MLALADP) in December 2015 and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in March 2016 and July 2016 respectively. The amount was utilized towards the payment of salaries and wages for muster rolls of their own staff as per details given below.

Table No. 1.4.1 Details of funds drawn from scheme funds

(₹ in lakh)

Date of drawal of funds/Scheme	Amount	Purpose of funds drawn	Funds drawn from
MLALADP			
18-12-2015	23.00	Salary for April & May 2015	'Accrued bank ⁴⁰ interest' of the Scheme-MLALADP
MGNREGS			
31-03-2016	12.00	Salary for August 2015	'6 per cent Contingency fund' of the Scheme-MGNREGS ⁴¹
20-07-2016	28.00	(i) Salary for September & October 2015 (ii) Wages for November & December 2015 (Muster Roll)	
Total	63.00		

Source: Departmental Records.

Audit observed that as per the extant guidelines/instructions, administrative expenses of DRDA⁴² were to be met from 'DRDA Administration scheme'⁴³, whereas the 'Accrued bank interest' (MLALADP fund) @ ₹ 0.20 lakh could be allowed to be utilised by each district to meet the contingency charges. The '6 per cent Contingency charges fund' (MGNREGS) could be utilised for specific purposes only such as training, quality management, operational expenses, social audit, etc. Despite provision of funds in the budget for the DRDA Administration, utilization of scheme funds towards the payment of salary/wages of DRDA staff /muster rolls was in violation of the guidelines and extant Rules.

On this being pointed out, the Executive Director stated in reply (January 2018) that payment of salary and wages was made on humanitarian ground, as salary had not been paid for more than 19 months due to non-release of funds for 'DRDA Administration scheme' since 2015-16. The contention of the Executive Director was not tenable as the funds were required to be utilised

⁴⁰ Can be utilised to meet Contingency charges.

⁴¹ Can be met for specific purpose such as training, quality management etc.

⁴² MLALADP and MGNREGS are implemented by DRDA.

⁴³ Para 3.1 of Guidelines on DRDA Administration.

only for the purposes for which those were provided, as per extant Guidelines/Rules.

Further, while admitting the audit observation, the Government stated (August 2018) that ₹ 5 lakh had since been recouped, while efforts were being made to recoup the balance amount.

The expenditure of ₹ 63 lakh incurred towards the payment of salary and wages by the Executive Director, DRDA by diverting the scheme funds was thus, unauthorised and irregular, of which an amount of ₹ 58 lakh was yet to be recouped.

This was indicative of financial indiscipline which needs to be investigated besides fixing the responsibility of the erring officials for unauthorised and irregular diversion of funds towards payment of salary and wages from MLALADP and MGNREGA Scheme funds.

1.5 Parking of funds

Failure of the DRDA to ensure timely completion of works led to parking of funds of ₹ 1.18 crore for a period of three years and seven months.

As per para 4.8 of the Member of Parliament Local Area Development Scheme (MPLADS) Guidelines, the balance funds⁴⁴ of the scheme which remain unspent by a former Member of Parliament (MP) of Rajya Sabha will be equally distributed among the successor members of Rajya Sabha of the State. Further, as per para 4.10.1 of the guidelines *ibid*, the work of MPLADS should be completed within 18 months from the date of demitting office by the MP. Thereafter, the District Authorities should settle and close the account of the concerned MP within three months' time, and intimate the Government of India with a detailed information in a Monthly Progress Report (MPR). In no case, any extension would be given and District Authority should be held responsible in case of any lapse in this regard. Also, as per para 4.3 (iii) read with para 5.4 of the guidelines *ibid*, utilisation certificate should be furnished by the District Authority concerned to the State Government and Ministry of Statistics and Programme Implementation.

Scrutiny of records (June 2017) of the District Rural Development Agency (DRDA), Imphal West revealed that Shri Rishang Keishing represented the State as MP in the Rajya Sabha during 10 April 2002 to 09 April 2014. Funds amounting to ₹ 33.37 crore for the implementation of MPLADS works were made available during the tenure of the former Rajya Sabha MP as shown in the following table.

⁴⁴ Funds not committed for the recommended works.

**Table No. 1.5.1 Utilisation of MPLADs funds of the former
Rajya Sabha MP**

(₹ in crore)

Name of the MP (Date of joining office to Date of demitting office)	Date by which the MPLADS works should have been completed ⁴⁵	Amount available	Expenditure incurred	Unutilised MPLADS funds
Shri Rishang Keishing (10.04.2002 to 09.04.2014)	08.10.2015	33.37	32.19	1.18

Source: Departmental Records.

Though, as per provisions of the scheme, ₹ 33.37 crore should have been fully utilised towards the completion of MPLADS works within 18 months from the date of demitting office, unspent amount of ₹ 1.18 crore was still lying (May 2019) with the DRDA, which remained parked in the bank account⁴⁶ of the ex-MP.

On being asked by Audit, the DRDA stated (November 2017) that there were 60 works which were yet to be completed for which funds were not released to the Project Implementation Agencies (PIA) as progress reports of works had not been submitted. The account could not be closed as the State Government did not have its own resources to complete the works.

The reply was not tenable as the DRDA did not take up adequate steps to ensure completion of works within 18 months of demitting office by the MP as per the scheme guidelines. Further, para 6.4 of the MPLADS guidelines envisages that the District Authority (i) would be responsible for overall coordination and supervision of MPLADS works, (ii) will inspect all works executed by/for societies and trusts under MPLADS, (iii) shall review, every month and in any case at least once in every quarter, implementation of MPLADS works, (iv) shall submit Monthly Progress Report to the Government of India, State/UT Government and the MP concerned for each MP separately on or before 10th of the succeeding month; and (v) The Nodal Department *i.e.*, Department of Rural Development & Panchayati Raj in the State shall monitor the MPLADS funds contributed by MPs to ensure that the funds were utilized in time by the district authorities.

It was, however, observed in audit that there was no record of monitoring and supervision of the works being done by the DRDA (District Authority) or by the State Nodal Department. Thus, failure of DRDA to ensure timely completion of works led to parking⁴⁷ of funds of ₹ 1.18 crore for a period of three years and seven months, which call for fixing the responsibilities of the officials who failed in monitoring and ensuring completion of works within the specified time frame.

⁴⁵ 18 months from the date of demitting office.

⁴⁶ Allahabad Bank Account No. 21155086203 in respect of Shri Rishang Keishing, in the name of the Deputy Commissioner, Imphal West.

⁴⁷ As on May 2019.

1.6 Utilisation of funds on non-permissible activities

Funds amounting to ₹ 50.36 lakh from MLALADP funds and administrative funds of MGNREGS were utilized for non-permissible works in violation of the guidelines of the programme/scheme.

The works taken up under a programme/scheme should be as per the provisions of the respective programme guidelines to fulfill the programme/scheme objectives. In case of Member of Legislative Assembly Local Area Development (MLALAD)⁴⁸ Programme, the works undertaken should be purely developmental in nature and meant for creation of durable community assets⁴⁹. Works belonging to private institutions or places of worship, purchase of inventory/stock, *etc.*, are not permissible under the programme⁵⁰.

In case of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme, the Central Government provides upto six *per cent* of the total expenditure on the scheme in a financial year as administrative expenses⁵¹ to enable the States/UTs to augment human resource and to develop capacity building for critical activities. Repair of old vehicles, civil works, material procurement for works, *etc.*, are not allowed as expenses under administrative costs⁵².

Scrutiny of the records (2016-18) of four District Rural Development Agencies (DRDAs) *viz.*, Churachandpur, Bishnupur, Senapati and Ukhrul revealed that these Agencies had taken up non-permissible works/incurred expenses⁵³ under these programme/scheme, as discussed in the succeeding paragraphs.

MLALAD Programme

During 2016-17, two DRDAs (Churachandpur and Bishnupur) incurred an expenditure of ₹ 32.23 lakh on non-permissible works such as construction of private training centre, procurement of furniture for school, construction of memorial buildings, works at places of religious worship, *etc.*, as shown in ***Appendix 1.11***.

The Executive Directors (ED), of the two DRDAs stated during joint physical verification (January 2019) that the works/expenses were executed/made as per the recommendation of the local MLA. In respect of DRDA Bishnupur, out of the four works (Sl. No. 6, 8, 10 and 15 of ***Appendix 1.11***) selected for inspection, three impermissible works were found to be lacking in proper maintenance and upkeep. The work “Construction of Library cum children recreational centre for New Life Foundation at Thamnapokpi” could not be checked during inspection as there was no library and recreational facility in the institution. In case of DRDA Churachandpur, out of the four works under MLALADP, one work- “Construction of Alfa shorthand training centre at Tuibong” was verified. It was stated that the construction works were carried

⁴⁸ in case of Manipur.

⁴⁹ Para 2.1 of the MLALAD programme guidelines.

⁵⁰ Appendix II of the MLALAD programme guidelines.

⁵¹ Para 12.5.2 of the MGNREGA Operational Guidelines, 2013 - 4th edition.

⁵² Paras 12.5.6 (i), (ii) and (iv) of the MGNREGA Operational Guidelines.

⁵³ under MGNREGA scheme, all the four DRDAs; and under MLALAD programme, Churachandpur and Bishnupur DRDAs.

out by the beneficiary committee of the training centre (NGO). The training centre was observed to be functional with two classrooms, computer sets and other teaching materials for skill training. However, at the time of verification, the centre was not in-session and renovation works were being carried out, due to which staff were not present at the training centre. On the above being pointed out, the ED, DRDA Churachandpur stated (January 2019) that non-permissible works would be strictly verified and will not be taken up under the Programme in future.

Though the works were found to be executed⁵⁴, the works carried out/expenses incurred were not permissible under MLALADP guidelines and thus, were both unauthorized and irregular.

MGNREGA Scheme

During 2016-17, four DRDAs (Churachandpur, Bishnupur, Senapati and Ukhrul) incurred an amount of ₹ 18.13 lakh out of administrative expenses on non-permissible works/expenses like maintenance works, repair of vehicles, procurement of materials for sound system, electrical works *etc.*, as detailed in ***Appendix 1.12***.

DRDA Bishnupur stated (January 2019) that sound systems were procured for Information, Education and Communication (IEC) activities. The reply was not acceptable as such expenditure did not fall under the scope of administrative expenses.

While admitting the observation, DRDA Ukhrul stated (September 2017 and January 2019) that expenditure on electrical and electronic items was incurred on urgent basis to ensure uninterrupted functioning of the office.

DRDA Churachandpur stated (January 2019) that electrification and other miscellaneous expenditures were related to Management Information System (MIS), and bills for repair of vehicles were enclosed by mistake. The reply was not acceptable as expenditure under MIS did not cover electrification, vehicle repairs and purchase of spares parts. During the joint physical verification (January 2019), it was also seen that expenditure had been incurred on repair of vehicles and purchase of spare parts.

Thus, the replies furnished by DRDA, Bishnupur, Ukhrul and Churachandpur were not justified in view of guidelines and misleading while DRDA, Senapati did not furnish any reply (December 2018).

Thus, programme funds amounting to ₹ 50.36 lakh (*MLALAD Programme - ₹32.23 lakh and administrative funds of MGNREGS - ₹18.13 lakh*) were utilized on non-permissible works. As such, recommendation of such works by the authorities concerned and consequent approval and sanction accorded by the Executive Directors of the respective DRDAs on inadmissible works was in violation of scheme guidelines. Thus, there were dereliction of duties on the part of the Executive Directors concerned and therefore, their responsibility needs to be fixed as such practice was a blatant violation of adherence to financial norms.

⁵⁴ Except for the work “*Construction of Library cum children recreational centre for New Life Foundation at Thamnapokpi*” which could not be checked as there was no library and recreational facility in the institution.