

CHAPTER IV

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Each ULB has its own municipal establishment for smooth functioning of day to day activities. The Board of Councillors of a ULB, under section 53 of the West Bengal Municipal Act, 1993, with prior approval of the State Government, may create posts of officers and other employees and fix the salary and allowances to be paid out of the municipal fund. The ULB, under section 56(2) of the West Bengal Municipal Act, 1993, may also provide for pension, gratuity, incentive, bonus and reward for its employees as per their entitlement. Test check of records of 50 ULBs revealed several irregularities which are discussed in the succeeding paragraphs.

4.1 Appointment of staff in excess of sanctioned strength resulting in excess expenditure of ₹ 24.23 crore

As per provision of section 53 of the West Bengal Municipal Act, 1993, State Government has the power to fix norms regulating the size of the municipal establishment for each municipality. Further, Government instructed (September 2000) that no municipality can appoint any employee to any post without the prior approval of the Government. Moreover, no expenditure can be made for any irregularly appointed employee or casual worker irrespective of the period of engagement, from the municipal fund.

In violation of the provision, four ULBs engaged a large number of casual workers and spent ₹ 24.23 crore during the period 2009-13 on wages, as shown below :

Table 4.1: Excess expenditure on wages

| Name of ULB | Year | Sanctioned Strength | Men in Position | Vacancy | No. of casual workers engaged | Expenditure incurred (₹ in lakh) |
|---------------|---------|---------------------|-----------------|---------|-------------------------------|----------------------------------|
| Bankura | 2010-11 | 549 | 351 | 198 | 231 | 90.65 |
| | 2011-12 | 549 | 357 | 192 | 231 | 104.14 |
| Bidhannagar | 2011-12 | 422 | 88 | 334 | 881 | 408.52 |
| | 2012-13 | 422 | 83 | 339 | 923 | 520.85 |
| South Dum Dum | 2009-10 | 697 | 369 | 328 | 662 | 324.11 |
| | 2010-11 | 697 | 352 | 345 | 662-775 | 406.87 |
| | 2011-12 | 697 | 329 | 368 | 775-783 | 484.00 |
| Taki | 2009-10 | 76 | 53 | 23 | 46-94 | 27.90 |
| | 2010-11 | 76 | 51 | 25 | 94 | 27.90 |
| | 2011-12 | 76 | 51 | 25 | 94 | 27.90 |
| Total | | | | | | 2,422.84 |

These casual employees were engaged in excess of the sanctioned strength of the respective ULBs without taking the approval of the State Government.

4.2 Accumulation of outstanding liability of ₹ 5.45 crore towards pension and gratuity

As per Government circular issued in September 1986 and reiterated in April 2008, municipalities should create 'Special Fund' for payment of retirement / terminal benefits.

Test check of records revealed that eight ULBs did not comply with the Government circular and could not pay the dues to the retired personnel. This resulted in accumulation of outstanding liability amounting to ₹ 5.45 crore as of March 2013 as shown below.

Table 4.2 : Outstanding liability towards pension and gratuity

| Name of ULB | As of | Liability on account of | Amount of liability (₹ in lakh) |
|--------------|------------|-------------------------|---------------------------------|
| Dubrajpur | March 2013 | Pension and Gratuity | 6.50 |
| Jangipur | March 2013 | Pension and Gratuity | 11.47 |
| Kandi | March 2013 | Pension | 9.70 |
| Mathabhanga | March 2013 | Pension and Gratuity | 11.62 |
| Ranaghat | March 2013 | Gratuity | 102.20 |
| Rishra | March 2013 | Pension and Gratuity | 291.30 |
| Suri | March 2013 | Pension and Gratuity | 79.04 |
| Tarakeswar | March 2013 | Pension and Gratuity | 32.87 |
| Total | | | 544.70 |

Thus, the above ULBs failed to discharge their obligatory responsibility and deprived the retired employees of their legitimate dues by not creating a 'Special Fund' for enabling timely disbursement of dues.

4.3 Liability towards outstanding water charges

Some ULBs, which did not have adequate water to cater the need of general public, resorted to procurement of water from other Government agencies. It was noticed in Audit that Konnagar Municipality procured water from Kolkata Metropolitan Water & Sanitation Authority (KMWSA) but did not pay water charges amounting to ₹ 16.34 crore till December 2012.

4.4 Irregularities in payment of electricity charges

Nine ULBs did not pay electricity charges amounting to ₹ 17.44 crore till the close of year 2013, though adequate funds were available in some of these ULBs, which created avoidable additional burden on account of surcharge/penalty, as shown below.

Table 4.3 : Outstanding liability towards electricity bill

| Sl. No. | Name of ULB | As of | Amount of liability (₹ in lakh) |
|--------------|--------------------|----------------|---------------------------------|
| 1. | Dainhat | August 2013 | 13.32 |
| 2. | Guskara | March 2013 | 23.45 |
| 3. | Habra | September 2013 | 185.12 |
| 4. | Hooghly- Chinsurah | March 2012 | 974.85 |
| 5. | Kanchrapara | February 2013 | 75.86 |
| 6. | Ranaghat | March 2013 | 242.98 |
| 7. | Rishra | March 2013 | 115.44 |
| 8. | Sainthia | March 2013 | 38.94 |
| 9. | Tarakeswar | November 2012 | 74.13 |
| Total | | | 1,744.09 |

Outstanding liability of Guskara Municipality (Sl. No. 2) included ₹ 1.19 lakh towards late payment surcharge till November 2012.

Pujali Municipality failed to avail the facility of rebate on electricity bill (allowed in case of timely payment) which resulted in avoidable expenditure of ₹ 0.18 lakh during March 2010 to February 2013.

4.5 Conclusion

Expenditure by four ULBs on engagement of staff in excess of sanctioned strength indicated laxity in management of human resources. Irregular expenditure on establishment out of municipal fund deprived the tax payers from getting obligatory and discretionary services. Eight ULBs neither created ‘Special Fund’ nor contributed to the fund for payment of terminal benefits to retired personnel. Non-compliance with the Government circulars had adverse implication on the assured social security of employees.

One ULB had a liability towards outstanding water supply bill while nine ULBs did not pay their electricity bills in time.

4.6 Recommendations

- Workload and existing manpower needs to be reviewed both by ULBs and the State Government after rationalising sanctioned strength of functionaries with reference to actual workload.
- Provisions regarding maintenance of ‘Special Fund’ for terminal benefits of the retired local-self-government personnel may be strictly adhered to so that the delay in payment of retirement benefits can be avoided.