

6.1 Limited powers over manpower

Adequate and qualified manpower is a *sine qua non* for the empowerment of ULBs. The broad framework of functions carried out by ULBs is depicted in **Table 6.1**.

Table 6.1: Broad framework of functions carried out by ULBs

Sl. No.	Wing/sections	Functions
1.	Administration	General administration, including meetings of council and committees
2.	Revenue	Assessment and collection of various taxes, rent, advertisements and other property related activities
3.	Accounts	Preparation and maintenance of accounts, preparation of budget etc.
4.	Public health	Sanitation, street sweeping, solid waste management and other public health related activities
5.	Engineering	Construction / O & M of roads, drains, buildings, parks, play grounds, water supply and street lighting etc.
6.	Town Planning	Town planning activities such as issue of building licences, etc.
7.	Welfare	Implementation of schemes relating to Social and economic development.

The assessment of manpower should be based on the functions undertaken by ULBs with a view that majority of the functions which are service oriented have to be discharged within a reasonable time period. This assessment could be done best by ULBs themselves considering various criteria such as the extent of geographical area to be covered, the extent and type of population, the number of properties existing *etc.* Audit observed that ULBs neither had the powers to assess the staff requirement nor to recruit the required staff. These powers are vested with the State Government. The State Government assessed the requirement of staff based on population alone, as discussed subsequently, and without seeking the actual requirement from ULBs.

Further, Section 91A of KMC Act and Section 320 of KM Act allows the State Government to transfer any officer or servant of a corporation/municipal council to service another corporation/municipal council or local authority or any Government department. The State Government shall lend the services of Government officers and employees to ULBs as may be necessary for the implementation of any schemes, project or plan assigned to ULBs. An appeal against any order of ULB imposing penalty or any officer or employee rests with the State Government.

Devolution of functionalities was, thus, rendered ineffective which in turn hampered the collection of own revenue, utilisation of devolved funds and carrying out the functions to the extent of which they were devolved as discussed earlier.

6.1.1 Recruitment of staff

In accordance with the Acts governing ULBs, the State Government regulates the classification, method of recruitment, conditions of service, pay and allowance, discipline and conduct of staff and officers of ULBs. The Karnataka Municipalities (Recruitment of Officers and Employees) Rules, 2010 and the Karnataka Municipal Corporations (Common Recruitment of Officers and Employees) Rules, 2010, list out the Appointing Authorities for various categories of posts as indicated in **Table 6.2**.

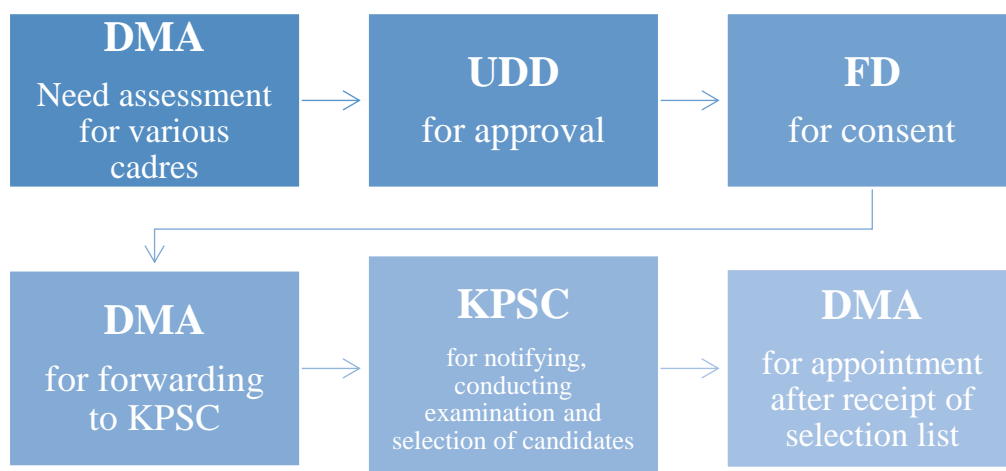
Table 6.2: Statement showing the appointing authorities for recruitment

Category of post	Authority
Group A	State Government
Group B and C	Director of Municipal Administration (DMA) or Officer empowered by Government
Group D	Deputy Commissioner (DC) for City Municipal Councils (CMCs), Town Municipal Councils (TMCs) and Town Panchayats (TPs) and Municipal Commissioner for City Corporations (CCs)

Source: Information furnished by DMA

The recruitment to Group A, B and C posts was done through the Karnataka Public Service Commission (KPSC). The various stages of recruitment through KPSC are depicted in **Chart 6.1**.

Chart 6.1: Flow chart of recruitment process through KPSC



Analysis of the information furnished by DMA for the period 2014-15 to 2018-19 showed the following:

- The total time taken commencing from forwarding the proposals to KPSC till final appointment of persons ranged between 744 to 1,603 days for various cadres.
- There were delays ranging from 3 to 425 days in sending the proposals to KPSC by DMA after receipt of consent from UDD.
- KPSC had taken a total time ranging from 400 to 1,215 days for completion of the entire process starting from notifying to selection of candidates and
- DMA had delayed in appointing the staff after receipt of the selection list from KPSC by 162 to 608 days.

6.1.2 Powers over staff

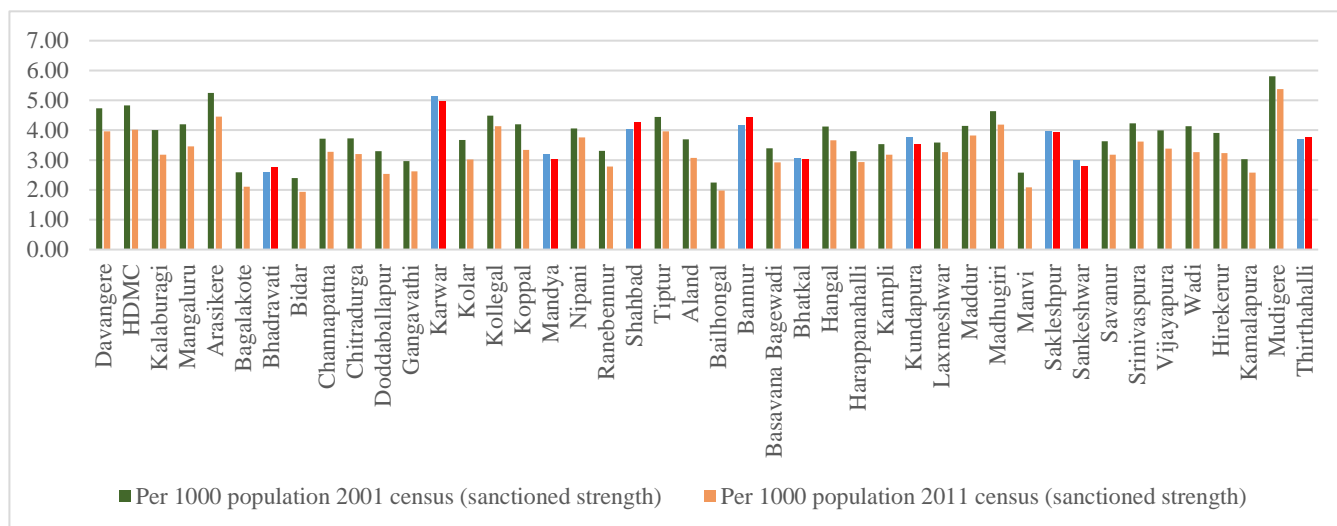
The powers to promote officials, initiate disciplinary action, impose penalties *etc.*, in respect of the officials of ULBs, other than on deputation, have also not been delegated to ULBs. The 4th SFC recommended that ULBs should have discretionary powers to recruit the human resources required for functioning. Action was yet to be initiated in this regard. The 2nd ARC also opined that city government should have the power to appoint all officials including the Commissioner and to hold them to account.

6.1.3 Improper assessment of requirement of staff

The State Government notified the Cadre and Recruitment Rules (C&R Rules) for Municipalities and Corporations during January 2011 and April 2011 respectively. The basis for determining the sanctioned strength for each ULB was not furnished to audit. However, a review of the C&R Rules *prima facie* showed that population of ULBs alone was considered as criteria for determining the sanctioned strength and other criteria such as the extent of geographical area to be covered, the extent and type of population, the number of properties existing *etc.* was not considered. The urban population of Karnataka, which was 23.58 million as per 2011 census was projected at 29.62 million as of 2019.

Analysis showed that the sanctioned strength was not commensurate with the population and required revision except in 10 (indicated in blue and red) out of the 44 test-checked ULBs where the number of employees per 1,000 population was more or less the same²² as per census 2001 and census 2011 as indicated in **Chart 6.2**.

²² Difference of less than 0.25 between the ratios for 2001 and 2011 was considered as acceptable by audit.

Chart 6.2: Employees per 1,000 population as per census 2001 and 2011 in 44 test-checked ULBs

The sanctioned strength varied from 2.24 to 5.80 employees per 1,000 population (2001) to 1.94 to 5.38 employees per 1,000 population (2011). The details are given in **Appendix 6.1**.

Further, the C&R Rules were deficient since they failed to specify function-wise requirement of staff. Function-wise staff assessment, if carried out, would bring in more transparency in terms of specifying the roles and responsibilities for each position, requirement of skills and qualification for each role *etc.* This would also prevent any overlap of functions between two persons/posts. To cite an example, there was no sanctioned post of Environment Engineer in TPs and the existing Health Inspector was in-charge of solid waste management.

6.2 Sufficiency and functioning of staff

6.2.1 Insufficient staff in Urban local bodies

The discharge of functions would be ineffective with a huge vacancy position. Scrutiny of staff position of ULBs in the State revealed vacancies ranging from 20 per cent (Group D) to 55 per cent (Group C) among the various categories as shown in **Table 6.3**.

Table 6.3: Statement showing the staff position in ULBs

Category	Sanctioned strength	Working strength				Vacancy	Percent age of vacancy
		Appointment	Deputation	Outsource / daily wage / others	Total		
Group A	670	206	160	10	376	294	44
Group B	1,088	750	66	7	823	265	24
Group C	17,149	5,414	1,027	1,312	7,753	9,396	55
Group D	37,586	12,735	77	17,249	30,061	7,525	20
Total	56,493	19,105	1,330	18,578	39,013	17,480	31

Source: Information furnished by DMA

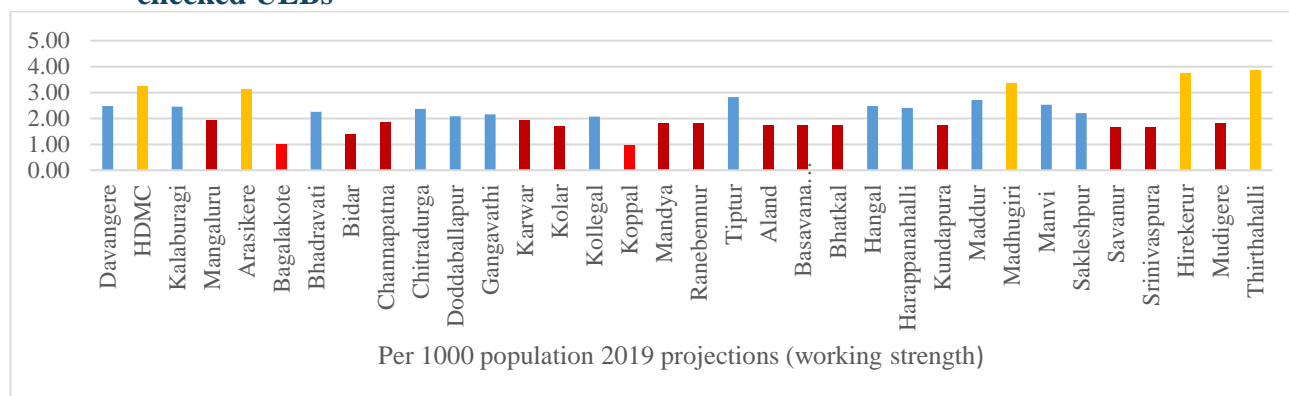
Cadre-wise analysis revealed the following:

- The vacancy was high in crucial posts of Group A in CCs with 92 *per cent* of Technical Assistants (Environment), 80 *per cent* of Deputy Commissioner (Administration), 30 *per cent* of Chief Audit Officer and 50 *per cent* of Accounts Officer posts being vacant. This hampered the efficient discharge of the devolved functions such as Solid waste management, regulation of slaughter houses etc., besides resulting in absence of internal audit and adequate supervision.
- The vacancies in technical posts such as Senior/Junior Health Inspectors and Assistant/Junior Engineers which ranged between 22 *per cent* to 50 *per cent* affected the delivery of public health services and development works besides resulting in poor utilisation of funds. The vacancies were more in CCs.
- Audit also observed that vacancies to the extent of 65 *per cent* in the cadres of Assistant Revenue Officer/Revenue Inspector affected the collection of revenue/arrears resulting in lesser realisation of own revenue as discussed in **paragraph 5.1.2**.
- Vacancies of 72 *per cent* of Accountant posts in CCs affected proper accounting and maintenance of basic records. In contrast, there was excess working strength of 44 *per cent* of Accountants in other ULBs. This was due to deputation of Accountants in excess of the sanctioned strength. Though, no provision for deputation to the post of Accountant as per the C&R Rules, there were as many as 201 Accountants who were on deputation in the ULBs.
- As against the 234 sanctioned posts of Gardener in 40 test-checked ULBs, only 128 (55 *per cent*) were working. In respect of other 4 ULBs, which were TPs, there was no sanctioned post of gardeners though parks existed in these TPs. This affected the regular maintenance of parks.

The 3rd SFC had identified that day to day development works were affected by vacancies and recommended filling up all vacant posts. Though the status of manpower was furnished to the DMA by ULBs at regular intervals, no action was taken to fill the vacancies.

Analysis of the working strength in the 34²³ test-checked ULBs, in terms of the number of employees per 1,000 population as per 2019 projected population, showed that it ranged between 0.98 and 3.85 as indicated in **Chart 6.3**.

²³ As projected population was not available for 10 ULBs, the same was not considered for analysis.

Chart 6.3: Working strength of ULBs in terms of employees per 1,000 population in test-checked ULBs

While CMCs, Bagalkote and Koppal (indicated in red colour) had less than one employee for every 1,000 people, 14 ULBs (dark red colour) had between 1 and 2 employees, 13 ULBs (blue colour) had between 2 and 3 employees and 5 ULBs (gold colour) had more than 3 employees. Evidently, the ULBs lacked adequate manpower to carry out efficient delivery of service.

Recommendation 11: Adequate powers over manpower resources should be delegated to ULBs in matters such as assessment and recruitment of required staff to ensure availability and qualified manpower for discharging functions.

6.2.2 Functioning of the Municipal Commissioner/Chief Officer

The Commissioner and Chief Officers of ULBs were Government servants. The Municipal Commissioner/Chief Officer was the executive head of the Municipality. As per Section 327(1) of KM Act, a Chief Officer had to be appointed by the DMA from among the cadre of Chief Officers of the Karnataka Municipal Administrative Service (KMAS). Further, as per Section 365(1) of the KM Act, State Government was not to post non-KMAS officers to posts specified for KMAS officers and such appointment was held arbitrary and illegal. The 4th SFC also opined that a municipal commissioner/chief officer of ULB should be from the ranks of the trained KMAS cadre and recommended that immediate steps should be initiated in this matter.

Review of the postings of the Municipal Commissioners and Chief Officers in all ULBs other than CCs showed that as many as 181 out of 275 persons who were not from KMAS were discharging the functions of the Municipal Commissioner/Chief Officer as at the end of March 2019 in contravention of Section 365(1) of the KM Act. Audit observed that of the 181 persons, 15 were Group B Officers (Environment Engineers, Revenue Officers) and 166 were Group C officials (Community Affairs Officers, Managers, Sr. Health Inspectors, First Division Assistants etc.). Discharging the duties of the Municipal Commissioner/Chief Officer by personnel who are neither from KMAS nor of a sufficient senior rank could jeopardise the efficacy of service delivery by ULBs adversely and is violative of the provisions of Section 365(1) of the KM Act.

6.2.3 Postings of KMAS officers

As per the information furnished by DMA, there were 175 KMAS officers as at the end of March 2020, who were to be posted exclusively as Commissioners/Chief Officers. Audit, however, noticed that 30 per cent of these officers were working either in parastatals or were on deputation to various departments. Audit also noticed that few of the officers were discharging duties of Revenue Officers, Managers, Sr. Health Inspectors in ULBs. The details of posting of these officers are detailed in **Table 6.4**.

Table 6.4: Details of posting of KMAS Officers

Sl. no.	Postings	Number of officers	Details
1	Working in ULBs	79	As Chief Officers/Commissioners
2		04	As Council/Committee Secretaries
3		21	As Revenue Officers/Managers/Sr. Health Inspectors
4	Working at other places	34	In Government departments/parastatals of UDD viz., DMA, UDAs, KUIDFC, BMRDA etc.
5		04	Deputation to State Pollution Board, Collegiate Education, Member of Legislative Assembly and <i>Nijaguna Ambigara Chowdaiah Nigama</i>
6		05	In BBMP
7	Others	23	Training
8		02	Suspension
9		03	Awaiting posting

Source: Information furnished by DMA

The discharge of duties of Revenue Officers, Managers, Sr. Health Inspectors by KMAS Officers and that of Chief Officer/Commissioner by non-KMAS officers such as Revenue Officers, Managers, Sr. Health Inspectors etc., as stated in the above paragraph besides contravening the provisions of C&R Rules, creates an ironical situation where the KMAS officers, who are recruited to function as the executive head of ULBs report to non-KMAS officers. Further, deputing KMAS officers to other departments defeats the very objective of the having separate Municipal Administrative Service.

Recommendation 12: Personnel from KMAS should be deployed in ULBs to the maximum extent possible. In particular, it needs to be ensured that ULBs are headed by persons of sufficient seniority and calibre.

6.2.4 Filling up of posts on deputation

The C&R Rules prescribed filling up of posts under various cadres through modes such as direct recruitment, deputation, promotion etc. The deputation mode was prescribed only for certain posts. Audit observed that posts under Group C such as Junior Health Inspector, Community Organiser, First Division Assistant, Second Division Assistant etc., were filled up through deputation both in CCs and other ULBs, though there was no provision under the C&R

Rules for deputation to these posts. Further analysis of the sanctioned strength revealed that 140 (40 *per cent*) out of 346 posts of Group A in CCs such as Deputy Commissioner, Executive Engineer, Chief Accounts Officer, Assistant Executive Engineer, Statistical Officer, Health Officer, Council Secretary *etc.*, were earmarked for recruitment either through deputation or outsourcing.

The provision to fill up large number of posts through deputation especially in the cadre of Group A and filling up of Group C posts through deputation despite the provisions of C&R Rules impacts effective functioning of ULBs. This also impacts the accountability of such personnel to the Governing Council and Commissioner/Chief Officer of ULBs as ULBs have no control over them either to initiate disciplinary action or to repatriate them to the parent department. The State Government may consider creating exclusive sub municipal services such as municipal health service, urban engineering service *etc.*, or contemporary contractual posts such as financial expert, resource mobilisation expert, IEC/Documentation expert, Event management expert, social development expert *etc.*, which is a best practice being adopted in Madhya Pradesh.

6.3 Capacity Building

Capacity building is important for strengthening the capabilities of personnel and for equipping them with advanced skills to deliver better services. The training activities for municipal employees were carried out by State Institute of Urban Development (SIUD) located at Mysuru. The SIUD is responsible for designing and organising programmes for all cadres of ULBs and also for the elected representatives. The Governing body of SIUD approves the annual training action plan for urban functionaries of ULBs. The DMA nominates trainees from various ULBs for the training. Audit observed that SIUD/DMA did not consult ULBs for analysing their training needs.

During the period 2014-15 to 2018-19, the SIUD had spent ₹13.04 crores towards training of Elected Representatives, Project Directors of DUDC, Municipal Commissioners, Chief Officers and other staff of ULBs. Check of the training slots provided and those actually attended by officers/staff of ULBs showed that the utilisation of training slots in 128 out of 194 courses was less than 75 *per cent*. These 194 courses have been grouped into 15 categories and the category-wise details are given in **Appendix 6.2**. The SIUD had also conducted 125 training programmes for elected representatives during the above period. We noticed that percentage of slots filled up ranged between 33 to 55 *per cent*. Poor utilisation of training facilities resulted in non-acquisition of enhanced skills by personnel and poor participation of elected representatives is a cause for concern.

6.3.1 Absence of evaluation

Training is a continuous process and should be continuously reviewed. This could be done through evaluation. Evaluation is necessary to ascertain whether the desired expectations were met or not and to revise and redefine the course to make it more effective. Audit observed that no mechanism existed to evaluate the impact of the training imparted to the staff of ULBs on the

discharge of functions. In the absence of evaluation, audit could not ascertain whether the training imparted helped the participants in improving their skills and whether the course design needed revision. Evidently, training was a routine exercise. Audit also observed that a database of trained personnel was not maintained by the department.

6.4 Performance management

Performance management is an essential tool of management and plays an important role in developing the competence of employees involved in service delivery. It involves classification of duties, defining performance standards, deployment of right personnel at right place and the capacity of staff to achieve their targets.

Audit observed that the C&R Rules made it mandatory for all employees to pass Kannada language examination, unless exempted, and service examinations of which Municipal and local boards examination, General Law I & II and accounts examination was compulsory for all cadres. The accounts examination was classified into Accounts Lower and Accounts Higher. While it was sufficient for cadres such as Second Division Assistant and Horticulture Assistant to pass Accounts Lower, it was mandatory for Office Manager, Accounts Superintendent, AEE, JE, Environment Engineer, FDA, Work Inspector, Health Inspector, Revenue Inspectors *etc.*, to pass Accounts Higher. The direct recruits appointed after publishing the C&R Rules were required to undergo a basic level computer course as prescribed by DMA and pass the test.

Moreover, if any employee does not pass the service examination prescribed for a post, he/she would not be eligible for promotion. Further, for earning annual increment and for confirmation against the substantive vacancy held, the official was required to pass the service examinations specified for the cadre to which he/she was appointed.

While the above requirements would definitely help in continuous professional development, it would be desirable to identify a set of performance indicators and performance metrics as indicated below, which can improve the efficiency of

- Revenue collection – setting of monthly targets, incentivisation for target achievements *etc.*, thereby minimising the demand and collection ratio.
- Fund management – activity/function-wise and need based allocation of funds, periodic review of utilisation of funds *etc.*
- Asset management - identification of created assets, creation of database for recording such assets (stock registers), periodic valuation and their protection.

The State Government/ULBs may consider introducing such performance indicators.