

CHAPTER IV

ESTABLISHMENT

Each ULB has its municipal establishment for the smooth running of day to day activities. The Board of Councilors of a ULB, with the 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 may also provide for pension, gratuity, incentive, bonus and reward for its employees as per their entitlement.

Audit scrutiny revealed several irregularities which are discussed in the succeeding paragraphs:

4.1 Appointment of staff in excess of sanctioned strength– excess expenditure of Rs 3.71 crore

As per provision 53 of the West Bengal Municipal Act, 1993, the State Government has the power to fix norms regulating the size of the municipal establishment for each municipality. In violation of the provision, four municipalities engaged a large number of casual workers and spent Rs.3.71 crore during the years 2005-07 on wages, as shown below:

(Rupees in lakh)

Name of municipality	Year	Sanctioned Strength	Men in position	Vacancy	Casual labours engaged	Expenditure incurred
Englishbazar	2005-06	516	415	101	626	125.91
	2006-07		438	78	663	
Jalpaiguri	2005-06	449	407	42	223	118.37
	2006-07		395	54	217	
Garulia	2006-07	263	185	78	216	49.41
DumDum	2006-07	141	131	10	135	77.72
Total						371.41

These casual employees were engaged in excess of the sanctioned strength of the respective municipalities. Neither the specific job nor the area of deployment was ever identified or recorded by the ULBs.

4.2 Non-creation of Special Fund for pension – liability of Rs 5.86 crore

Coochbehar, Mekhliganj, Jalpaiguri, Berhampore and Serampore municipalities did not create 'Special Fund' as required under Government Circular dated 5 May 1982 for payment of pension and gratuity to their employees. As a result, Coochbehar, Mekhliganj, Berhampore and Serampore municipalities failed to pay gratuity and pension to 279 retired employees

(excluding Jalpaiguri and Serampore) and accrued a liability of Rs 5.86 crore on this account as of March 2007.

Further, Rajarhat-Gopalpur Municipality deposited Pension and Gratuity Fund pertaining to the years 1995-96 to 2003-04 in the General Provident Fund Account maintained at the treasury. In June 2001, the Government stated that Pension Fund kept in the treasury was not an interest bearing fund after which the Municipality created a Special fund but failed to transfer Rs 62.55 lakh from treasury into that Fund maintained at the bank. As a result, the fund lying idle in the treasury for four to ten years did not earn any interest.

4.3 Conclusion

The expenditure of Rs.3.71 crore by four municipalities on engagement of staff in excess of sanctioned strength was indicative of inadequate management of manpower. Irregular expenditure on establishment deprived the rate payers of obligatory and discretionary services. Coochbehar, Mekhliganj, Jalpaiguri, Berhampore and Serampore municipalities out of 49 ULBs test checked did not create special fund for payment of terminal benefits to the retired employees. As a result they failed to pay gratuity and pension to 279 retired employees (excluding Jalpaiguri and Serampore) and accrued a liability of Rs.5.86 crore on this account as of March 2007. The non compliance to the provisions had adverse implication as regards the assured social security of the employees.

4.4 Recommendations

- Work load and existing man power are to be reviewed both by the local governments and the State government and re-fix sanction strength of functionaries with reference to actual work load; and
- The provisions regarding social security of the retired local governments employee be strictly adhered to so as to avoid delay in payment of terminal benefits including pension.