

CHAPTER-IV

ESTABLISHMENT

4.1 Irregular engagement of casual labourers

Rs 4.31 crore was spent irregularly on wages of casual staff.

To combat the shortage of staff, 15 ULBs had engaged large number of casual staff/labourer and spent Rs 4.31 crore during 2005-2008 on wages (**APPENDIX-VI**) despite prohibition on engaging casual labourer as per Personnel and Administrative Reforms Department letter No. 3/LB-102/85-7639 dated 11 June 1986.

Appointment of regular staff against vacancy may be considered instead of engaging labourers on casual basis.

4.2 Irregular expenditure on payment to N.G.Os for cleaning of roads etc.

Without sanction of the Government Rs 1.71 crore was paid irregularly to NGOs.

The engagement of N.G.Os for the purpose of cleaning of road etc. was made without obtaining sanction of the State Government as required under Section 63 (aaa) of RMC Act, 2001 and Rs 1.71 crore was irregularly and unauthorizedly spent on payment to the following N.G.Os during 2007-08 by Ranchi Municipal Corporation:

(Rs in lakh)		
Sl. No.	Name of NGOs	Amount paid
1.	Creative International, Ranchi	87.98
2.	Gramin Mahila and Yuva Vikas Samiti, Ranchi	43.99
3.	Express Seva Sansthan, Ranchi	33.34
4.	Nav Bharat Jagriti Kendra, Ranchi	5.51
Total		170.82

Registration Certificate under the Societies Registration Act, 1860, byelaws and labour certificate by Labour Department, Government of Jharkhand and the Audit Report of these NGOs were not made available to audit.

In the absence of relevant documents, the genuineness of the N.G.Os could not be ascertained.

4.3 Irregular appointment of lawyers

As per Cabinet Secretariat, Govt. of Bihar letter no. 3/CS/M-704/94-3897 dated 16 August 1994, all civil suits cases relating to Boards, Corporations, and Govt.

/semi-Govt. organizations under the control of the State Government were to be dealt with by a panel of advocates constituted by the Law Department of the State Govt. In violation of the above instruction, Ranchi Municipal Corporation directly engaged five lawyers, other than from panel, to deal with their cases during 2007-08 and spent Rs 2.45 lakh on them, which was irregular.

This vitiated the internal control mechanism of the Department.

4.4 Avoidable expenditure on delayed payment surcharge (D.P.S.) on electricity Bills

A total sum of Rs 1.34 crore was paid to Jharkhand State Electricity Board by Ranchi Municipal Corporation vide Cheque no. 926717 dated 31st March 2008 on account of energy charges and delayed payment surcharge against a total bill of Rs 1.78 crore upto February 2008 as indicated below:

(Rs in crore)				
Amount of electricity bill	Amount of DPS charged	Total amount of bill	Amount paid	Balance
1.65	0.13	1.78	1.34	0.45

The aforesaid payment included an amount of Rs 13.28 lakh irregularly paid as DPS on energy charges which could have been avoided by making timely/monthly payments as financial position of RMC during the last three years 2005-06, 06-07 and 07-08 was sound as it had sufficient balance of Rs.38.72 cr, 33.86 cr and Rs.24.78 cr respectively in its Municipal Fund.

4.5 Loss of interest due to non-deposit of Provident Fund

Provident Fund Subscription collected by ULBs by deduction from salary of the employees is required to be credited to the fund accounts at bank between the first and fourth of the next month to avoid loss of interest payable to the subscribers. However, it was noticed that Rs 48.98 lakh, as detailed below, deducted from salary of employees during 1988-89 to 2007-08 in respect of four ULBs, was not remitted to concerned individual bank accounts till March 2008 and the deducted amounts remained in the Municipal Funds.

(Rs in lakh)			
Sl.No.	Name of ULBs	Period of deduction	Amount deducted but not deposited
1.	Ranchi	3/07 to 2/08	21.70
2.	Dumka	1/89 to 11/95 & 2/08	12.26
3.	Hazaribagh	12/05 to 2/08	7.96
4.	Chaibasa	3/2003 to 3/2008	7.06
Total			48.98

Hence, the employees sustained loss of interest due to non-deposit of P.F. money.