

# **CHAPTER IV**

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Each ULB has its municipal establishment for smooth running of day to day activities. The Board of Councillors of a ULB, under section 53 of the West Bengal Municipal Act, 1993 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, 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 68 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 ₹ 11.42 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 (October 2000) that no municipality can appoint any employee to any post irrespective of its category 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, six ULBs engaged a large number of casual workers and spent ₹ 11.42 crore during the period 2008-12 on wages, as shown below:

**Table 11: Excess expenditure**

Name of ULB	Year	Sanctioned strength	Men in Position	Vacancy	No. of casual workers engaged	Expenditure incurred (₹ in lakh)
Coopers' Camp	2009-10	30	29	1	110	15.84
	2010-11	50	29	21	110	15.84
	2011-12	50	48	2	99	17.82
English Bazar	2009-10	345	274	71	1101	203.28
	2010-11				1173	212.84
	2011-12				1205	246.41

Name of ULB	Year	Sanctioned strength	Men in Position	Vacancy	No. of casual workers engaged	Expenditure incurred (₹ in lakh)
Murshidabad	2009-10	119	94	25	107-110	48.84
	2010-11	119	91	28	110-116	51.68
	2011-12	119	90	29	116-119	53.01
North Dum Dum	2010-11	412	271	141	53-122	66.56
Serampore	2010-11	634	534	100	333	50.75
	2011-12	634	517	117	268	46.69
Tamluk	2008-09	210	189	21	98	16.54
	2009-10				113	26.17
	2010-11				167	33.66
	2011-12				167	36.55
<b>Total</b>						<b>1142.48</b>

These casual employees were engaged in excess of the sanctioned strength of the respective municipalities. ULBs did not take approval of State Government for engagement of casual workers and expenditure incurred on their wages.

#### 4.2 Accumulation of outstanding liability of ₹ 7.23 crore towards pension and gratuity

As per Government circular dated 5 May 1982, municipalities should create 'Special Fund' for payment of retirement / terminal benefits.

Test check of records revealed that 10 ULBs could not pay the dues to the retired personnel resulting in accumulation of outstanding liability amounting to ₹ 7.23 crore as of December 2012 as shown below:

**Table 12: Outstanding liability towards pension & gratuity**

Sl. No.	Name of ULB	As of	Liability on account of	Amount of liability (₹ in lakh)
1.	Bhadreshwar	March 2012	Pension and Gratuity	63.50
2.	Bolpur	March 2012	Gratuity	55.65
3.	Chandernagore	March 2011	Pension and Gratuity	148.47
4.	Coochbehar	March 2012	Pension and Gratuity	85.82
5.	Dinhata	December 2012	Pension and Gratuity	18.16
6.	English Bazar	March 2012	Pension and Gratuity	59.41
7.	Jalpaiguri	October 2012	Pension and Gratuity	138.75
8.	Jiaganj-Azimganj	-	Pension and Gratuity	91.32
9.	Kalyani	March 2011	Pension and Gratuity	19.54
10.	Mekhliganj	March 2012	Pension and Gratuity	42.43
<b>Total</b>				<b>723.05</b>

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 to the need of general public, resorted to procurement of water from other Government agencies. It was noticed in audit that four such ULBs had not paid water charges amounting to ₹ 97.86 crore till March 2013 to these agencies as detailed below:

**Table 13: Outstanding liability towards water charge**

Name of ULB	Agency from which water procured	Liability upto	Amount of liability (₹ in crore)
Baidyabati	Kolkata Metropolitan Water & Sanitation Authority	June 2012	27.72
Bhadreshwar		March 2012	14.82
Serampore		March 2012	31.87
South Dum Dum	Kolkata Metropolitan Development Authority	December 2011	23.45
<b>Total</b>			<b>97.86</b>

(Source: Information furnished by ULBs)

#### 4.4 Irregularities in payment of electricity charges

Fourteen ULBs did not pay electricity charges amounting to ₹ 123.26 crore till the close of year 2012, though adequate funds were available in some of these ULBs, which created avoidable additional burden on account of surcharge / penalty, as shown below:

**Table 14: Outstanding liability towards electricity bill**

Sl. No.	Name of ULB	As of	Amount of liability (₹ in lakh)
1.	Asansol	November 2011	3279.72
2.	Baidyabati	June 2011	646.78
3.	Bhadreshwar	March 2012	259.80
4.	Chandernagore	March 2012	467.26
5.	Coopers' Camp	March 2012	23.06
6.	Darjeeling	February 2012	124.76
7.	Egra	November 2011	7.40
8.	English Bazar	March 2012	920.72
9.	Haldibari	November 2012	29.30
10.	Howrah	March 2011	4878.00
11.	Mekhliganj	March 2012	9.19
12.	Rishra	July 2012	278.68
13.	Serampore	March 2012	764.79
14.	Sourth Dum Dum	March 2011	636.89
<b>Total</b>			<b>12326.35</b>

Outstanding liability in respect of Howrah Municipal Corporation included ₹ 21.94 crore towards ‘Late payment Surcharge’ till March 2011.

Four ULBs<sup>25</sup> paid ₹ 1.58 crore for electricity charges in respect of tenants of stallholder / market complex and quarters but did not recover the same from the occupants.

Two ULBs<sup>26</sup> failed to avail the facility of rebate on electricity bill for timely payment resulting in avoidable expenditure of ₹ 1.31 lakh.

#### **4.5 Conclusion**

Expenditure by six ULBs on engagement of staff in excess of sanctioned strength was indicative of laxity in management of human resources. Irregular expenditure on establishment out of municipal fund deprived the tax payers of obligatory and discretionary services. Ten ULBs did not either create 'Special Fund' or contribute to the fund for payment of terminal benefits to retired personnel. Non-compliance with the provisions had adverse implication on the assured social security of the employees.

Four ULBs had a liability towards outstanding water supply bill while 14 ULBs did not pay their electricity bills in time. Some ULBs paid electricity charges in respect of tenants of stallholder / market complex and quarters but did not recover the amount from the occupants.

#### **4.6 Recommendations**

- Work load and existing manpower needs to be reviewed both by the ULBs and the State Government and rationalize sanctioned strength of functionaries with reference to actual work load.
- Provisions regarding maintenance of separate fund for terminal benefits of the retired local government personnel may be strictly adhered to so that the delay in payment of retirement benefits is avoided.
- ULBs need to be regular in payment of water and electricity charges to maintain uninterrupted services to the tax payers and also to avoid payment of penalty.

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<sup>25</sup> Bashirhat (₹ 8.61 lakh during 2009-12), Bhadreswar (₹ 9.73 lakh during April 2004 to October 2011), Durgapur (₹ 124.03 lakh till July 2012) and Tamluk (₹ 15.54 lakh during December 2000 to March 2012).

<sup>26</sup> Kulti (₹ 1.06 lakh during April 2010 to July 2012) and Ramjibonpur (₹ 0.25 lakh during 2009-12).

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