



**Report of the
Comptroller and Auditor General of India
on
Performance Audit on the Efficacy of Implementation
of the 74th Constitutional Amendment Act, 1992**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of West Bengal

Report No. 3 of the year 2023

TABLE OF CONTENTS

	Paragraphs	Page No.
Preface		v
Executive Summary		vii
CHAPTER I		
INTRODUCTION		
Brief History of Municipal Governance in West Bengal	1.1	1
74 th Constitutional Amendment	1.2	1
Trend of Urbanisation in West Bengal	1.3	2
Profile of the Urban Local Bodies in West Bengal	1.4	2
Organisational structure of Urban Administration in West Bengal	1.5	4
Organisational structure for the administration of Urban areas in West Bengal	1.5.1	4
Organisational Structure of Urban Local Bodies	1.5.2	5
CHAPTER II		
AUDIT FRAMEWORK		
Audit Objectives	2.1	7
Audit Criteria	2.2	7
Audit Scope and Methodology	2.3	8
Acknowledgement	2.4	9
Chapters of Audit Findings	2.5	10
CHAPTER III		
COMPLIANCE TO THE PROVISIONS OF THE SEVENTY-FOURTH CONSTITUTIONAL AMENDMENT ACT		
Comparison of State level legislations with the provisions of Seventy-fourth Constitutional Amendment Act	3.1	11
Empowerment of Urban Local Bodies and their functioning	3.2	16
Overriding powers of the State Government over the ULBs	3.3	23
Institutional mechanism for empowerment of ULBs	3.4	24
State Election Commission	3.4.1	24
Reservation of seats	3.4.2	25
Holding of elections of ULBs and formation of Boards	3.4.3	25
Composition of Municipalities/Corporations	3.4.4	27
Chairman/Mayor	3.4.5	28
Ward Committees	3.4.6	29
District Planning Committee and Metropolitan Planning Committee	3.4.7	30
State Finance Commissions	3.4.8	33
Accounts and Audit	3.4.9	34

Municipal Accounts Committees	3.4.10	39
Standing Committees	3.4.11	40
Parastatals and their role in urban governance	3.4.12	42
CHAPTER IV		
FINANCIAL RESOURCES OF URBAN LOCAL BODIES		
Sources of Revenue in ULBs	4.1	45
Funds Flow to ULBs	4.2	46
State Finance Commission (SFC) Grants	4.3	46
Short release of SFC Grants	4.3.1	46
Delay in the release of SFC Grants	4.3.2	48
Central Finance Commission (CFC)	4.4	48
Own Sources of Revenue for the ULBs	4.5	51
Insufficiency of own sources of revenue of the ULBs, in comparison to their total receipts	4.5.1	51
Property Tax	4.5.2	52
Tax on Cart, Carriage and Animal	4.5.3	58
License Fees for Advertisement	4.5.4	59
Rent from markets	4.5.5	60
Fee for Certificates for enlistment of profession, trade and callings	4.5.6	60
Other revenue sources of ULBs	4.5.7	61
Budget Estimates	4.6	62
Budget Preparation	4.6.1	62
Creation of Basic Services for Urban Poor Fund	4.6.2	63
Expenditure by the ULBs	4.7	64
CHAPTER V		
HUMAN RESOURCES		
Staff pattern of ULBs in the State	5.1	65
Recruitment of human resources in the ULBs	5.2	67
Vacancies in the ULBs and <i>per capita</i> staff	5.3	67
CHAPTER VI		
PERFORMANCE IN THE DISCHARGE OF DEVOLVED FUNCTIONS		
Water Supply	6.1	71
Efficacy in supply of water by the ULBs	6.1.1	71
Solid Waste Management	6.2	79
Efficacy of ULBs in the delivery of solid waste management related services by the ULBs	6.2.1	80
Sanitation and Public Health	6.3	90
Efficacy in implementation of sewerage and drainage functions	6.3.1	91
Efficacy in functions relating to Public Health	6.3.2	96

List of Appendices			
Appendix No.	Description	Para No.	Page No.
Appendix-1	List of 18 functions to be devolved to ULBs as enumerated in the Twelfth Schedule of the Constitution	1.2	101
Appendix-2	List of Audit Units	2.3	102
Appendix-3	Annual Financial Statements pending for submission to ELA (as on 31/3/2021)	3.4.9.1	104
Appendix-4	Constitution of Municipal Accounts Committees (MACs) in the 27 test-checked ULBs	3.4.10	107
Appendix-5	Difference between the Closing Balances of the previous financial years and the Opening Balances of the current financial years, in regard to Property Tax, for 11 ULBs, during FYs 2015-16 to 2020-21	4.5.2.1 (i)	109
Appendix-6	Interest collected by 17 ULBs, during FYs 2015-16 to 2020-21	4.5.2.1 (iii)	110
Appendix-7	Delay in General Valuation in 25 ULBs	4.5.2.3	113
Appendix-8	License fee for advertisement collected by 23 ULBs, during FYs 2015-16 to 2020-21	4.5.4.1	114
Appendix-9	Other Revenue Sources of ULBs	4.5.7	117
Appendix-10	Revision of fees and charges in ULBs as on 31 st March 2023	4.5.7	118
Appendix-11	Departments of a Municipal establishment	5.1	119
Appendix-12	Details of Sanctioned Strength <i>vis-à-vis</i> Persons-in-Position, of Regular/Part-time Medical Officers, Staff Nurses, ANMs, Laboratory Technicians and Pharmacists, in UPHCs	6.3.2.2	122
Glossary of Abbreviations			123

Preface

PREFACE

This Report on audit of Urban Local Bodies (ULBs), under the West Bengal Municipal Act, 1993; Kolkata Municipal Corporation Act, 1980; Howrah Municipal Corporation Act, 1980 and West Bengal Municipal Corporation Act, 2006, has been prepared for submission to the Government of West Bengal.

The Report, covering the period 2015-16 to 2020-21, contains the results of Performance Audit of the ‘Efficacy of Implementation of the 74th Constitutional Amendment Act’ in West Bengal.

The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

the 1990s, the incidence of *S. flexneri* infections in the United Kingdom has increased, and the incidence of *S. flexneri* infection in the United States has increased in the 1980s and 1990s [10, 11]. In the United Kingdom, *S. flexneri* is the most common serotype of *S. flexneri* isolated from patients with shigellosis, followed by *S. flexneri* serotype 3 [12].

There is a paucity of data on the incidence of *S. flexneri* infection in the United Kingdom. In the United States, the incidence of *S. flexneri* infection has increased in the 1980s and 1990s [10, 11]. In the United Kingdom, the incidence of *S. flexneri* infection has increased in the 1990s [12].

The purpose of this study was to determine the incidence of *S. flexneri* infection in the United Kingdom. The study was conducted in the United Kingdom, and the results of the study are presented in this paper.

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EXECUTIVE SUMMARY

The 74th Constitutional Amendment, which came into effect on 1 June 1993, provided a clear mandate for democratic decentralisation and sought to create an institutional framework for ushering in democracy at the grassroots level, through self-governing local bodies, in the urban areas of the country. It empowered Urban Local Bodies to perform 18 functions listed in the 12th Schedule of the Constitution.

As per Census 2011, West Bengal had a population of 9.13 crore, out of which 2.91 crore (31.87 *per cent*) were residing in urban areas and 1.66 crore in areas covered under the 125 ULBs in the State. Urban areas in West Bengal face multiple challenges in regard to waste management, sanitation, public health issues and poverty alleviation. In this scenario, ULBs have an important role to play, as most of these issues can be handled best at the local level. In West Bengal, the three tiers of Urban Local Bodies are categorised on the basis of the population in their jurisdiction, population density and occupational pattern.

The objective of this Audit was to assess whether the State Government had adequately empowered the Urban Local Bodies, by creating a robust institutional framework, supported by transfer of functions, funds and functionaries; whether the ULBs were able to deliver the services devolved to them in a satisfactory manner and whether they had attained self-reliance for financing their activities through taxation and other sources of revenue.

Out of the 18 functions to be devolved, one function, relating to fire services, had not been devolved to ULBs. Out of the remaining 17 functions devolved to ULBs, in case of 15 functions, ULBs had an overlapping role with parastatals/departments; in case of one function, ULBs had minimal role and, in case of one function, were ULBs solely responsible.

Holding regular elections and participation of elected representatives in citizen-centric development activities is crucial to democratic decentralisation. There was delay in holding elections in 109 ULBs, which ranged from six months to 32 months. Thus, non/delayed holding of elections may result in the ULBs being rendered ineligible for the Central Finance Commission (CFC) grants.

Preparing long-term and short-term development plans and formation of different committees with earmarked objectives, to ensure integrated development in all spheres, are crucial for the effective functioning of the ULBs. Audit, however, noticed non-preparation of draft development plans, in all the 27 test-checked ULBs, with only six ULBs having prepared annual development plans.

Pendency in the preparation and submission of Annual Financial Statements was noticed in 119 ULBs, raising concerns about the proper management and utilisation of financial resources. Delays in constitution of State Finance Commissions (SFC) and delayed release of State Finance Commission and Central Finance Commission Grants, adversely affected the financial position of the Urban Local Bodies.

It was noticed that the revenues raised by ULBs from their own sources were low and they were dependent upon grants for their functioning. Significant

amounts, pertaining to Property Tax, were due to the Urban Local Bodies. The test-checked ULBs had not explored all the possible areas mandated in the Acts, to augment their own source revenue.

Sufficient and suitably trained Human Resources are critical for the effective functioning of any institution. However, Audit observed that the last staff assessment for ULBs had been conducted in 1995, although the ambit of service delivery and the urban population had increased manifold over the past 27 years. Recruitment to all categories of staff of ULBs, through the Municipal Service Commission, was made mandatory with effect from January 2019, yet a large number of vacancies were existing in the ULBs.

The 12th Schedule, added by the 74th Constitutional Amendment, envisaged supply of water and public health and sanitation, including solid waste management, among the 18 functions to be devolved to the ULBs. The Acts governing the ULBs also incorporated devolution of these functions to the ULBs.

Audit noticed that, out of the 27 test-checked ULBs, 17 were fully/partially dependent on parastatals for supply of water; five ULBs had no role in water supply; four of them were dependent on parastatals; and, in case of one ULB, citizens were dependent only on tube-wells for supply of water. Only one ULB had achieved the benchmark of 135 litres *per capita* per day water supply and none of the test-checked ULBs had achieved the benchmark of providing 100 *per cent* house connections and 24 hours of water supply.

In the area of solid waste management, delays were noticed in the preparation of plans for implementation of the solid waste management function, by agencies engaged by SUDA. Further, these plans were not distributed among the ULBs. Segregation at source, as well as collection and disposal of solid waste in a segregated manner, are essential for effective solid waste management. Audit noticed that, out of 27 ULBs, 14 ULBs had not implemented segregation at source and four ULBs had not implemented door-to-door collections. Six ULBs did not have their own dumping sites or sanitary landfill sites and only four out of 27 ULBs had functional processing facilities for solid waste.

In the area of sewerage and drainage, among four ULBs having underground sewerage systems, only *Kolkata* MC had a functional underground sewerage system, while the remaining ULBs were dependent on networks of drains. In 20 ULBs, the sewerage and drainage network/drains discharged into rivers or canals, and only seven of these ULBs had STPs in their municipal areas.

Based on the above observations, Audit recommends that:

- *Government may ensure that the 17 functions that have been either partially devolved or not devolved at all, may be handed over to the ULBs, to the maximum extent possible on priority*
- *Government may ensure that elections for the ULBs are held in a timely manner, in consultation with the State Election Commission*
- *Ward Committees may be constituted, as per the Acts, so that the ground level priorities of citizens are factored into the decisions of the ULBs*
- *Government may ensure constitution and effective functioning of the District Planning Committees, for integrated planning and development*

- *ULBs may prepare Draft Development Plans and Annual Development Plans, for strategic and holistic development of their jurisdictional areas*
- *Government may constitute the SFCs and implement their recommendations in a timely manner*
- *Government may stipulate a uniform timeframe for preparation of the Annual Financial Statements of all ULBs, as also for timely submission of Annual Financial Statements, for audit by the statutory auditor (ELA)*
- *Government may ensure that ULBs conduct internal audit regularly and take remedial action to strengthen their internal control system*
- *Government may ensure that MACs are constituted every year and meetings held regularly, to discuss the audit reports (including internal audit reports) of the concerned ULBs*
- *SFC and CFC grants may be released in a timely manner*
- *Recommendations of the SFCs, relating to devolution, may be implemented, to the maximum extent possible*
- *ULBs may take all possible measures to increase revenue from property tax*
- *Government may ensure that valuation of properties in the ULBs is conducted in a timely manner and, while determining the value of land, the guidance values fixed by the State Government are taken into consideration, to avoid undervaluation of properties*
- *ULBs may be advised to initiate discussion with the Departments of the Government, to decide the quantum of services which would be delivered to them and the resultant service charges to be levied and collected*
- *ULBs are to ensure that Rates/Fees levied by them may be revised, time to time*
- *ULBs may prepare their budgets within the stipulated timeframe, considering their actual requirements of funds*
- *The BSUP fund should be mandatorily created by all ULBs and regular contributions should be made therein, to ensure delivery of basic services to the urban poor; as well as to the inhabitants of slum areas*
- *ULBs may explore all possible areas to augment their own revenue and strengthen their collection efficiency. They may also arrange special drives, from time to time, to collect arrears, in order to meet their revenue expenses*
- *A professional assessment of the staff requirements for the ULBs, to enable them to cater to the growing urban population, may be taken up*
- *Government may take immediate steps for filling the existing vacancies in the ULBs, through the West Bengal Municipal Service Commission*
- *Government may provide adequate funds and functionaries to ULBs, to enable them to construct and maintain water supply projects and also to take possession of water supply projects from parastatals/other departments*

- *Government may introduce regular monitoring, for achieving the Service Level Benchmarks, to ensure supply of quality water to citizens*
- *ULBs may levy and collect fees for supply of water from both domestic and non-domestic consumers, as per extant rules. Metering of water may also be taken up, to charge fees based on consumption and increase the own sources of revenue*
- *ULBs may take steps to reduce waste generation and achieve 100 per cent segregation of waste at source, as well as collection, processing and disposal of segregated waste*
- *ULBs may implement 100 per cent door-to-door collection of solid waste and involve waste pickers/Self Help Groups in this endeavour*
- *ULBs may prepare and adopt bye-laws and implement levy and collection of user fees from waste generators*
- *ULBs may be equipped with adequate manpower and funds, for effective implementation of the Solid Waste Management Rules*
- *Government may take immediate steps to construct STPs, with the active involvement of the ULBs*
- *ULBs may take up construction of the sewerage and drainage infrastructure, wherever necessary, on priority basis, and ensure 100 per cent house sewer connections, as per Service Level Benchmarks*
- *Government may ensure that all UPHCs in the ULBs are functioning properly, with laboratory facilities. They may also ensure placement of requisite human resources, to implement the NUHM, aiming at the urban poor population's health needs.*