

## **CHAPTER-III**

### **3. ESTABLISHMENT.**

#### **3.1.1 Excess expenditure on establishment.**

As per section 53(i) (c) of Himachal Pradesh Municipal Act and section 75(i) of Himachal Pradesh Municipal Corporation Act, 1994 the expenditure on establishment charges should not exceed one third of the total expenditure of the urban local body.

In ten urban local bodies test checked, the expenditure of Rs. 2726.57 lakh (Appendix-11) was incurred in excess of prescribed norms during the period of 2003-04 to 2005-06. The excess expenditure was attributed to increase in expenditure due to merger of 50 percent ADA, regularization of services of daily waged staff and limited resources of funds. The reply was not tenable as excess expenditure was due to non adherence of prescribed norms and also deployment of excess staff in four Urban Local Bodies@ (Shimla, Dharamshala, Solan, Kullu) and no effective steps had been taken by the concerned local bodies to deploy the staff within sanctioned strength. Besides, urban local bodies should ensure optimum collection of various taxes so that the limit of one third expenditure on establishment could be fulfilled.

#### **3.1.2 Surplus staff.**

Consequent upon the abolition of toll tax by the State Government with effect from April 2001, 16 tax guards were rendered surplus in M.C. Kullu. Their services were temporarily placed (2001-02) at the disposal of Excise & Taxation Department for utilizing them for the collection of tax of that department. However, the staff was repatriated in June 2002 due to awarding of tax collection work to contractor by the Excise & Taxation Department and since then the staff was idle on which an expenditure of Rs. 54.21 lakh (upto March, 2006) had been incurred on their pay and allowances. The Executive Officer (EO) stated (November 2006) that the matter had been taken up (January 2004) with the Govt.

for adjustment of these tax guards. The decision was awaited (March 2006).The reply as no further steps to pursue the matter was taken by the EO since January, 2004.

**3.1.3** In Municipal Corporation, Shimla against sanctioned strength of 1011 posts of various categories of staff as on 31 March 2006 there were 1418 employees working in the Corporation. Thus, 407 employees (40 percent) were in excess of sanctioned strength which mainly includes mate, masons, majdoors and drivers. Expenditure of Rs. 256.94 lakh had been incurred on their wages during the test checked period of 2003-04 to 2005-06. The Corporation stated (September 2006) that the matter for creation of posts had been taken up (August 2005) with the Govt. Further developments were awaited.

**3.1.4** In Municipal Council, Dharamshala, against sanctioned strength of 21 posts, 94 employees were in position as under:-

Category	Sanctioned Strength	Staff in position	Excess
Mason	3	9	6
Mate	1	3	2
Balder	<u>17</u>	<u>82</u>	<u>65</u>
<b>TOTAL</b>	<b>21</b>	<b>94</b>	<b>73</b>

Evidently, the deployment of staff was not justified as compared to sanctioned strength and expenditure of Rs.85.85 lakh incurred on their pay and allowances from 2002-06 was un-authorized. The Executive Officer stated that the staff was engaged by the then Administrator for execution of various works departmentally.

The reply was not tenable as the deployment of staff was required to be made in accordance with sanctioned strength. Moreover, during the year 2003-04 to 2005-06 an expenditure of Rs. 179.39 lakh was incurred on the construction of

deposit works whereas expenditure of Rs. 39.08 lakh (22 percent) was only incurred on the works executed departmentally. Thus the services of excess staff largely remained under-utilisation.

**3.1.5** In Municipal Council, Solan, two posts of meter readers were filled up in September, 1998 and January, 1999 against sanctioned strength of one post. Therefore, one post of Meter Reader had been surplus and expenditure of Rs. 4.85 lakh incurred till March 2006 on pay and allowances of one meter reader which was un-authorized. No norms had been fixed for reading of water meter by a meter reader.