
CHAPTER IV

ESTABLISHMENT

Each ULB has its municipal establishment for the smooth running of its 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 others 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.

During scrutiny in audit several irregularities were observed which are discussed in the succeeding paragraphs:

4.1 Engagement of staff/officer without approval of the Government – irregular expenditure of Rs 8.77 crore

(a) ULBs were not authorised to create any post without prior approval of the State Government. Dum Dum Municipality appointed 16 doctors against unapproved posts (beside the sanctioned strength) without obtaining prior approval of the State Government and incurred an expenditure of Rs 65.99 lakh during 2004-06 which was irregular.

(b) In spite of having no dispensary/hospital/maternity home under its jurisdiction, Asansol Municipal Corporation retained the Health Officer whose service was discontinued by the Municipal Affairs Department with effect from January 1999 after expiry of his term in the Reproductive Child Health project under the Additional District Magistrate, Asansol Division. The Corporation incurred an expenditure of Rs 9.02 lakh between January 1999 and October 2006 on account of salary and contingent expenditure for that post.

(c) As per extant Government orders (October 2000 and March 2001), a ULB cannot appoint any employee without prior approval of the State Government. No expenditure can be made for any irregularly appointed municipal employee or casual worker from the Municipal Fund. However, Darjeeling Municipality appointed 72 staff in regular scale of pay and Uttarpara-

Kotrung Municipality appointed 60 staff on consolidated pay without approval of the Government and incurred an expenditure of Rs 38.98 lakh and Rs 36.00 lakh respectively during 2004-06. The ULBs did not approach the Government for getting approval for such appointments.

Seventeen ULBs had engaged a large number of casual labours in different departments and irregularly spent Rs 6.69 crore during the years 2002-07 (**Appendix -14**) on wages. Diamond Harbour, Old Malda and Taherpur municipalities approached the State Government for approval of those appointments. However, they did not receive approval for the same.

(d) In Uluberia Municipality, two posts of Sub Assistant Engineer (SAE) were sanctioned under CUDP III scheme on the condition of retrenchment of service on closure of the scheme. Though the scheme was discontinued with effect from April 1995, the Municipality continued to engage them in other works and drew their pay and allowances for such engagement. The SAEs drew Rs 16.47 lakh as basic pay for the period from April 1995 to May 2006.

Similarly, Barasat Municipality engaged 38 temporary workers for field work for annual valuation of land and buildings in May 1993. The work was completed in March 1996 but the Municipality retained the services of 26 workers on daily rate basis in the municipal establishment for clerical/peon jobs and spent Rs 41.58 lakh from April 1996 to March 2006 on such unauthorised engagement.

4.2 Retention of overdrawn arrear pay and allowances – Rs 40.06 lakh

Old Malda Municipality submitted a claim of Rs 11.40 lakh to the District Magistrate, Malda in February 2001 towards arrear pay and allowances in respect of 72 employees for implementation of Revision of Pay and Allowances, 1998. The claim included an unauthorised claim of Rs 4.75 lakh against 39 unapproved staff. Municipality received the amount in February 2001 and irregularly retained the amount in Provident Fund Account. It also received an interest of Rs 2.00 lakh on that amount upto 2005-06.

Jiaganj-Azimganj Municipality submitted (July 2000) a claim of arrears of pay and allowances Rs 76.50 lakh and it was sanctioned in December 2000. In

August 2001, the Municipality detected and intimated Municipal Affairs Department that the claim was erroneous and the actual requirement was Rs 43.19 lakh. But the Municipality received the sanctioned amount of Rs 76.50 lakh in October 2001 and the same was credited into the Provident Fund Account in November 2001. The excess drawal of Rs 33.31 lakh was not refunded as of May 2007.

4.3 Payment of retirement gratuity and provisional pension without approval from competent authority – Rs 76.80 lakh

Ranaghat Municipality paid Rs 2.37 lakh as lump sum gratuity to the retired employees during April 2005 to February 2007 before issue of Pension Payment Order from the Director of Pension, Government of West Bengal. Such payments were made without ascertaining the admissibility of entitlement and leaving no scope to recover/adjust any excess payments made during their service period if pointed out by the pension payment authority.

As per Pension Rules for municipal employees, pension beyond six months can be paid only after approval by the Director of Pension, Provident Fund and Group Insurance, Government of West Bengal. During 2002-07, Purulia and Bolpur municipalities irregularly paid provisional pension of Rs 28.87 lakh to 52 employees and Rs 45.56 lakh to 49 employees who retired during December 2001 to August 2006 and during October 1997 to January 2007 respectively.

4.4 Non-creation of Special Fund for payment of pension – Liability – Rs 55.85 lakh

Contai, Bolpur and Hooghly-Chinsurah municipalities did not create 'Special Fund' as required under Government Circular dated 5 May 1982. As a result, Contai and Bolpur municipalities failed to pay full amount of gratuity and arrear pension to the retired employees and accrued a liability of Rs 37.52 lakh and Rs 18.33 lakh respectively in the shape of gratuity/death gratuity and pension/family pension as of May 2007.

4.5 Miscellaneous irregular expenditure – Rs 52.58 lakh

Test check of records of five municipalities revealed that they incurred an expenditure of Rs 52.58 lakh towards various establishment matters during 2000-06 as detailed below:

(Rupees in lakh)

| Sl. No. | Name of Municipality | Year | Particular of expenditure | Amount |
|--------------|----------------------|---------|----------------------------------|--------------|
| 1. | Dum Dum | 2004-06 | Holding allowance for extra duty | 3.18 |
| 2. | Gayespur | 2004-06 | Overtime allowance | 1.15 |
| 3. | Mahestala | 2000-06 | Welfare grant | 37.75 |
| 4. | North Barrackpore | 2005-06 | Tiffin allowance | 3.36 |
| 5. | Darjeeling | 2002-06 | Overtime allowance | 7.14 |
| Total | | | | 52.58 |

In the absence of any rules regulating the norms and conditions of such payments, a large amount of money was not utilised for delivering any service to the tax payers.

Replies from the concerned ULBs/ Government are awaited.