

Press Brief for media

The Report of the Comptroller and Auditor General of India on ‘Efficacy of Implementation of the 74th Constitution Amendment Act’, Government of Kerala, Report No. 3 of 2022 has been laid on the table of Kerala Legislative Assembly on 28 June 2022. Audit Reports, upon their presentation to the Legislature are public documents.

The summary of the most important points highlighted in the Report is given below:

- Only partial transfer of Twelfth Schedule functions to Urban local bodies has been effected.
- State Government still retains significant role in execution of schemes either directly or through parastatal agencies.

(Paragraph 2.3)

- Beneficiary lists for departmental schemes in ULBs not subjected to scrutiny by ward sabhas and for that reason risk of inclusion of ineligible beneficiaries/ duplication of beneficiaries exists.

(Paragraph 2.4.2)

- 200 out of 325, accepted recommendations of the 406 recommendations offered by the five State Finance Commissions were yet to be implemented.

(Paragraph 2.5.3)

- Service level benchmarking data mandated by Fourteenth Finance Commission were prepared by ULBs without receipt of data on actual implementation of water supply function from KWA.
- KWA, the parastatal authorized to perform water supply function neither adopted performance measurement of benchmarking nor reported the details of assessment of Service level benchmarks.

(Paragraph 3.1.2)

- While sanctioning projects under AMRUT, through a selected ULB with annual plan fund allocation of ₹30 crore, expressed inability to set aside

₹ 33 crore for the project as it would result in non-implementation of developmental projects, the opinion of the Municipality was overridden by the State.

(Paragraph 3.4.2)

- No mechanism to monitor timely collection and transfer of pension contribution by ULBs to the Central Pension Fund (CPF) maintained by the Director of Urban Affairs (DUA).
- Payment of pension to the retiring employees of ULBs could not be assured from CPF.
- Funds for Death-cum-retirement-benefits were sourced from the Own fund / General Purpose Fund of ULBs during the audit period.

(Paragraph 4.2.4)

- The assessment of property tax on Plinth area basis was to be made applicable for new buildings from 14 January 2011 and for existing buildings from 01 April 2011.
- The date of coming into effect of plinth area method of assessment for existing buildings was extended by Government till 01 April 2016.
- Consequently, the method and rate of assessment followed for existing buildings on 14 January 2011 continued to be in force.

(Paragraph 4.2.5.1)

- Entertainment Tax was not collected as revenue by ULBs in the State during the period from 01 July 2017 to 10 June 2019. No compensation was paid to the ULBs for the period April 2018 to May 2019 which resulted in loss of revenue to ULBs.

(Paragraph 4.2.5.4)

- The time period for implementing the Kerala Municipality (Issue of License to Dangerous and Offensive Trades, other Trades and Factories) Rules, 2011 was continually extended through a series of Government order issued from 2011 till January 2017.
- Hence, license fees continued to be levied at rates which prevailed before the commencement of the Rules, during the period 2011 to 2018.

(Paragraph 4.2.5.6)

- 859 out of 6619 posts in ULBs remained vacant. In the Engineering wing of ULBs, there were only 994 men in position as against the sanctioned strength of 1117. 123 posts out of 1117 remained unfilled.

(Paragraph 5.1.2.1)