

## CHAPTER-IV

### ESTABLISHMENT

#### 4.1 Irregular engagement of casual staff

Rs 3.05 crore was spent irregularly on wages of casual staff

The State Government is empowered for sanctioning the post of Officers and Servants of the ULBs. However, Municipal Officers and Servants (Appointments, Duties, Discipline and Appeal) Rules made under Section 42 (1) (a) of JMA, 2000, provide power to the Chairman/Board for appointment of officers & servants in the ULBs. A person should neither be appointed as a whole time officer or servant of the Board nor undertake any work on remuneration without the previous sanction of the Board. All vacancies whether permanent or temporary, not filled by promotion from among the officers or servants of the Board should be advertised in at least two consecutive issues of a newspaper with the highest circulation in the area. The person who possesses the best qualification and is otherwise most suitable should be appointed as an officer or servant by the Chairman/Board. There was no provision for engagement of casual/daily wages staff in the ULBs. Further, under the orders of the State Government of June 1986, engagement of casual staff in ULBs was prohibited. Audit scrutiny revealed that although, there was acute shortage of manpower in the ULBs ranging from 11.64 per cent to 77.77 per cent, the ULBs did not appoint staff on regular basis. Rather, the ULBs violated the Government directions/rules and engaged casual staff for performing their routine works which was reported to the Government through earlier reports also. The deficiency continued to exist in the ULBs and despite such prohibition, 11 ULBs engaged large number of casual staff during 2004-09 and a sum of Rs 3.05 crore was spent on payment of their wages as detailed below:

**Table-25**

(Rs in lakh)

Sl. No.	Name of ULBs	Period	Amount incurred
1.	Ranchi	2008-09	244.78
2.	Dhanbad	2004-06	1.73
3.	Hazaribag	2007-08	21.12
4.	Giridih	2007-08	9.27
5.	Chakradharpur	2007-08	0.62
6.	Chas	2006-08	5.96
7.	Simdega	2006-08	6.97
8.	Godda	2007-08	0.63
9.	Jamtara	2006-08	5.48
10.	Saraikela	2006-08	3.85
11.	Basukinath	2006-08	4.31
	<b>Total</b>		<b>304.72</b>

ULBs stated that casual staff were engaged to combat the shortage. This was, however, irregular in view of codal provisions/Government instructions.

#### **4.2 Irregular expenditure of Rs 2.18 crore on payment to NGOs.**

Three ULBs engaged NGOs for the purpose of cleaning of roads etc. without obtaining the sanction of the State Government as required under Section 63 (aaa) of RMC Act and Section 68 (xxvi) of JM Act. Hence, the expenditure of Rs 2.18 crore incurred during 2006-09, as detailed below, towards payment to these NGOs was irregular and unauthorized.

**Table-26**

(Rs in lakh)			
Sl. No.	Name of ULBs	Period	Amount paid
1.	Ranchi	2008-09	183.87
2.	Chas	2006-08	17.05
3.	Simdega	2006-08	17.03
<b>Total</b>			<b>217.95</b>

Without sanction of the Government Rs 2.18 crore was paid irregularly to NGOs.

Registration Certificate under the Societies Registration Act, 1860, bye-laws and labour certificate by Labour Department, Government of Jharkhand and the Audit Report of these NGOs were not made available to audit.

In the absence of relevant documents, the genuineness of the NGOs could not be ascertained.

#### **4.3 Irregular appointment of lawyers**

Four ULBs appointed lawyers without Government's approval and irregularly incurred expenditure of Rs 1.58 lakh

As per the orders of State Government (August 1994), all civil suits cases relating to Boards, Corporations, and Government /Semi-Government organizations under the control of the State Government were to be dealt with by a panel of advocates constituted by the Law Department of the State Government. In violation of the above instruction, four ULBs directly engaged lawyers without Government's approval to deal with their cases during 2004-08 and a sum of Rs 1.58 lakh, as detailed below, was spent on them, which was irregular:-

**Table-27**

(Rs in lakh)

Sl. No.	Name of ULBs	Period	Amount paid to lawyers
1.	Dhanbad	2004-06	1.08
2.	Mango	2006-08	0.16
3.	Basukinath	2006-08	0.20
4.	Jasidih	2006-08	0.14
<b>Total</b>			<b>1.58</b>

Reasons for appointment of lawyers from other than Panel of advocates of Law Department was not furnished by the ULBs. This vitiated the internal control mechanism of the Department.

#### **4.4 Loss of interest due to non-deposit of Provident Fund subscription**

Four ULBs did not remit Rs 10.81 lakh as Provident Fund resulting into loss of interest to the employees

In exercise of the powers conferred by the Section 8 of the Provident Fund Act 1925, State Government issued (December, 1933) Model Rules for the management of Provident Fund, 1933. As per Rule 12A *ibid*, the Vice Chairman is responsible /custodian of the Provident Fund accounts. He should satisfy himself that the transactions in the Provident Fund accounts have actually taken place and as to the correctness of Provident Fund ledger before entering his initials. He is also responsible for the calculation of interest due in each account and issue of copy of the annual ledger account of Provident Fund to each depositor. As per Rule 6 of Model Rules for the Management of Provident Fund, 1933, Provident Fund Subscription collected by ULBs by deduction from salary of the employees was required to be credited to their Savings bank accounts between the first and fourth of the next month to avoid loss of interest payable to the subscribers. Audit scrutiny revealed that PF subscription of employees amounting to Rs 10.81 lakh, as detailed below, deducted from salary of employees during July 2001 to March 2008 in four ULBs, was not remitted to the concerned individual bank accounts till March 2009. This not only resulted in avoidable liability of the ULBs but also deprived the employees of accrued interest on their PF subscriptions.

**Table-28**

(Rs in lakh)

Sl. No.	Name of ULBs	Period of deduction	Amount deducted but not deposited
1.	Hazaribagh	7/01 to 2/08	8.20
2.	Chatra	11/06 to 1/07	0.31
3.	Chakradharpur	2/07 to 2/08	1.36
4.	Jasidih	4/06 to 3/08	0.94
<b>Total</b>			<b>10.81</b>

#### **4.5 Recommendations**

- The ULBs should consider appointment of regular staff against vacancy/Sanctioned Strength instead of engaging staff on casual basis for smooth functioning of ULBs.
- Provident Fund subscription deducted from salary of employees should be credited to their accounts timely to avoid loss of interest to the subscribers.