

CHAPTER-IV

ESTABLISHMENT

4.1 Irregular engagement of casual staff

Rs 1.45 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 15.38 per cent to 72.23 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, 13 ULBs engaged large number of casual staff during 2007-09 and a sum of Rs 1.45 crore was spent on payment of their wages as detailed below:

Table-23

(Rs in lakh)

Sl. No.	Name of ULBs	Period	Amount incurred
1.	Deoghar	2007-09	43.74
2.	Dumka	2007-09	0.62
3.	Sahebganj	2007-09	14.66
4.	Medininagar	2007-09	38.92
5.	Madhupur	2007-09	0.33
6.	Jugsalai	2007-09	1.75
7.	Jhumri Tilaiya	2007-09	2.60
8.	Jamshedpur	2007-09	4.74
9.	Lohardarga	2007-09	8.39
10.	Adityapur	2007-09	12.12
11.	Gumla	2007-09	8.49

Sl. No.	Name of ULBs	Period	Amount incurred
12.	Pakur	2007-09	4.14
13.	Kodarma	2007-09	4.51
	Total		145.01

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 32.86 lakh on payment to NGOs.

Without sanction of the Government Rs 32.86 lakh was paid irregularly to NGOs.

Two ULBs engaged Trusts/Contractors/NGOs for the purpose of cleaning of roads etc. without obtaining the sanction of the State Government as required under Section 68 (xxvi) of JM Act. Hence, the expenditure of Rs 32.86 lakh incurred by two ULBs during 2007-09, as detailed below, towards payment to these NGOs was irregular and unauthorized.

Table-24

(Rs in lakh)			
Sl. No.	Name of ULBs	Period	Amount paid
1.	Jamshedpur	2007-09	24.26
2.	Pakur	2007-09	8.60
	Total		32.86

4.3 Loss of interest due to non-deposit of Provident Fund subscription

Four ULBs did not remit Rs 25.18 lakh as Provident Fund resulting into loss of interest to the employees

In exercise of the powers conferred by Section 8 of the Provident Fund Act 1925, the 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 25.18 lakh, as detailed below, deducted from salary of employees during July 2004 to March 2009 in four ULBs, was not remitted to the concerned individual bank accounts till

March 2010. This not only resulted in avoidable liability of the ULBs but also deprived the employees of accrued interest on their PF subscriptions.

Table-25

(Rs in lakh)

Sl. No.	Name of ULBs	Period of deduction	Amount deducted but not deposited
1.	Dumka	5/08 to 11/08	6.86
2.	Madhupur	4/08 to 3/09	8.07
3.	Chaibasa	7/04 to 3/09	8.79
4.	Adityapur	4/07 to 3/09	1.46
Total			25.18

4.4 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.