

Chapter-V: Conclusion

The 74th Amendment introduced Part IX A (the Municipalities) containing Articles 243P to 243ZG in the Constitution. This amendment which came into effect on 1 June 1993 authorised State Legislatures to enact laws to endow local bodies with powers and authority as may be necessary to enable them to function as institutions of self-government and make provisions for devolution of powers and responsibilities (Article 243W). The 12th Schedule lists out the 18 functions to be carried out by Urban Local Bodies.

Each State had to enact a legislation to implement the 74th Constitutional Amendment Act. The Urban Local Bodies in the State were governed by the Chhattisgarh Municipal Corporation Act, 1956 and the Chhattisgarh Municipalities Act, 1961. After enactment of the 74th Constitutional Amendment Act, the State Government had made some rules to comply with the provisions of 74th Constitutional Amendment Act. These rules were, however, not supported by firm action thus, defeating the spirit of the constitutional amendment specifically with reference to devolution of functions and creation of appropriate institutional mechanisms.

Out of the 18 functions, Urban Local Bodies were solely responsible for eight functions, had no role in one function, had dual role in six functions, were mere implementing agencies in two functions, and in respect of one function, the Urban Local Bodies had minimal role or were having overlapping jurisdiction with State Departments/Parastatal.

The power of delimitation of wards, reservation of seats for the council and rotation policy of seats for the posts of Mayor/President, Deputy-Mayor/Vice-Presidents and wards were vested with the State Government.

It was also seen that in three Urban Local Bodies, elections were not held and hence, in the absence of elected local government, development of these Urban Local Bodies may be hampered, besides mandate of 74th Constitutional Amendment Act to empower the Urban Local Bodies was also getting violated.

Advisory Committees, Wards and Mohalla Committees, Municipal Accounts Committees and Metropolitan Planning Committees were not found constituted in case of some of the Urban Local Bodies. Though the District Planning Committees were constituted, meeting of the committees were not held regularly.

There are significant difference between planning and expenditure on the services of Water Supply and Public Health, Sanitation and Solid Waste Management by the Urban Local Bodies. Further, there were wide variations between per capita money spent under Water Supply and Public Health, Sanitation and Solid Waste Management among different Urban Local Bodies.

Urban Local Bodies were found to be generally effective in terms of achieving the coverage of Sanitation and household level coverage of Solid Waste Management, but as far as other parameters were concerned, there were huge gaps. As per indicators of Service Level Benchmarks, when seen in conjunction with the fact that Urban Local Bodies have not been able to collect the requisite charges appropriately and are not

making adequate efforts to recover cost of services, shows a dire situation of their financials which is adversely impacting the implementation of services.

As per the constitutional provisions and the Acts, implementation of the recommendations of the fifth State Finance Commission was due from 2021-22. However, as on date, recommendations of the second State Finance Commission were being implemented. The devolution of funds by the State Government to the Urban Local Bodies was short by up to ₹ 256.10 crore, compared to the norms of the third State Finance Commission.

The share of Own Revenue to Total Revenue of Urban Local Bodies for the period 2015-20 in test checked Urban Local Bodies was meagre (Nagar Panchayats 15.92 *per cent*, Nagar Palika Parishads 16.06 *per cent* and Nagar Nigams 28.71 *per cent*). This shows that the financial condition of the Urban Local Bodies was highly critical and they were totally dependent on the Government grants. Instances of short realisation of various taxes/charges in respect of Property tax, Service Charges and Water Charges were also observed.

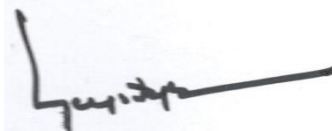
In case of Human Resources, most of the Urban Local Bodies were found to be functioning with acute shortage of staff and were highly dependent on outsourced staff. We also noted that the training needs of the staff and the councillors were not adequately addressed with a view towards improving their efficiency.

Raipur
The : 03 Jun 2022



(Dinesh R. Patil)
Principal Accountant General (Audit)
Chhattisgarh

Countersigned



New Delhi
The : 28 Jun 2022

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India