

CHAPTER VII

PERFORMANCE AUDIT

7. Activities of Rajarhat-Gopalpur Municipality

Highlights

Due to abnormal growth in the number of casual employees, the expenditure incurred for payment of their wages increased from ₹22.19 lakh (as of April 2009) to ₹1.18 crore (as of March 2014).

[Paragraph 7.6.1]

There was short deposit of ₹6.38 crore towards EPF contribution.

[Paragraph 7.6.2]

Due to non-realisation of appropriate interest on arrears of property tax, there was short collection of revenue amounting to ₹25.01 lakh.

[Paragraph 7.7.5]

Mutation fee and mutation development fee aggregating ₹49.62 lakh were not brought into accounts.

[Paragraph 7.7.6]

Non-utilisation of own land for dumping of solid waste led to avoidable expenditure of ₹11.97 lakh.

[Paragraph 7.8.5]

The land purchased at a cost of ₹64.77 lakh for construction of municipal office building, etc. was lying vacant due to lack of fund.

[Paragraph 7.9.1]

The Municipality tried twice to construct a sports complex/ stadium at different locations. But the works were abandoned after incurring an expenditure of ₹4.05 crore.

[Paragraph 7.9.2]

The Municipality collected an amount of ₹19.01 crore during 2009-14 by imposing deviation charges for regularisation of 1,671 number of unauthorised constructions, though there was no such provision.

[Paragraph 7.10]

7.1 Introduction

Rajarhat-Gopalpur Municipality (RGM) was established in 1994. Spread over an area of 28 sqkm, RGM had a population of 4.02 lakh as per Census 2011. The Municipality comprises 35 wards and has 1.02 lakh holdings³⁰ as of March 2014. In addition to obligatory duties and responsibilities as defined in the West Bengal

³⁰ Holding means land held under one title or agreement and surrounded by one set of boundaries.

Municipal Act, 1993, the Municipality is responsible for providing better civic amenities including supply of quality water, solid waste management as well as implementation of various works and programmes aided by both the Central and State Governments.

7.2 Organisational structure

As per section 12 of the West Bengal Municipal Act, 1993, the municipal authorities for each municipal area include the Board of Councillors (BoC), Chairman-in-Council (consisting of the Chairman, Vice-Chairman and other members) and Chairman.

All executive powers of the Municipality shall vest in the Chairman-in-Council (CIC). The Chairman shall be the executive head of a Municipality and the municipal administration shall be under his control. However, the State Government appoints the officers like Executive Officer, Health Officer, Engineer and Finance Officer.

7.3 Audit objectives

The objectives of audit were to examine whether:

- municipal establishment was functioning properly;
- management of resources including assessment, demand and collection of various taxes / fees was transparent, efficient and prudent;
- service delivery was efficient;
- Government schemes and different works were executed efficiently, economically and effectively.

7.4 Scope and coverage of Audit

Activities of RGM covering the period 2009-14 with regard to resource mobilisation, service delivery mechanism, execution of works, etc. were selected for Performance Audit between November 2014 and March 2015. Methodology of audit involved test check of available records, field visits by the audit team in the presence of municipal officials, etc. An Entry Conference was held on 13 January 2015 with the Chairperson of the Board of Administrators of the Municipality, in which the audit objectives, scope, coverage, criteria and methodology of audit were explained. Subsequently, an Exit Conference was held on 22 January 2016 with the Mayor, Bidhannagar Municipal Corporation (consequent upon merger of Bidhannagar Municipality, Rajarhat-Gopalpur Municipality and Mahisbathan Panchayat with the newly constituted Bidhannagar Municipal Corporation). In the Exit Conference, audit findings, conclusions, etc. were discussed. The Mayor accepted the audit findings in general and stated that he was directing his officers/ officials to look into the matters pointed out by Audit with due importance in accordance with Law.

7.5 Audit criteria

Criteria for evaluation were mainly sourced from -

- West Bengal Municipal Act, 1993 (Act of 1993);
- West Bengal Municipal (Finance and Accounting) Rules, 1999 (Rules of 1999);
- Other Rules/ regulations / norms / laid down procedures concerning activities of the Municipality and resolutions taken in meetings of Board of Councillors (BoC)/ Chairman-in-Council (CIC), etc.

Audit findings

7.6 Municipal establishment

7.6.1 Large number of casual employees

Section 53(4) of the West Bengal Municipal Act, 1993 states that subject to the norms regulating the size of a municipal establishment, as may be fixed by the State Government, no post of an officer or other employee shall be created by the BoC of a Municipality without the prior sanction of the State Government.

The sanctioned strength of RGM was 104 since 1998. However, CIC/ BoC of the Municipality employed large number of local youths as casual employees from time to time without following section 53(4) of the Act, *ibid*. The number of casual employees increased from 713 in April 2009 to 2,192 in March 2014. As a result, the expenditure for payment of their wages increased from ₹22.19 lakh (as of April 2009) to ₹1.18 crore (as of March 2014). It was evident that the number of casual employees, which in March 2014 was more than twenty one times of the regular sanctioned strength, was disproportionately high.

Such high growth in the number of casual employees greatly burdened the municipal funds. In reply, RGM stated (April 2015) that it engaged casual staff and incurred expenditure out of municipal fund to provide best services to the public. The reply was not tenable since the Municipality deployed a large number of casual employees without the approval of the State Government and the expenditure from public fund (municipal fund) should not be incurred in violation of the municipal law.

7.6.2 Short deposit of EPF contribution

As per Notification issued (January 2011) by the Employees' Provident Fund Organisation, the Municipal Councils and Municipal Corporations constituted under article 243 of the Constitution of India, were brought under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF & MP Act of 1952). The Municipality had to deduct employee's contribution at the rate of 12 *per cent* of wages per month and had to pay employer's contribution at the rate of 13.61 *per cent*. The amount so deducted was to be deposited within 15th of the following

month.

Scrutiny of records revealed that RGM paid an amount aggregating ₹33.68 crore³¹ on wages of casual employees during January 2011 to March 2014. RGM should have deducted an amount of ₹4.04 crore (12 *per cent* of ₹33.68 crore) from the wages of casual employees and was required to contribute an amount of ₹4.58 crore (13.61 *per cent* of ₹33.68 crore). Thus, the Municipality was required to deposit a total amount of ₹8.62 crore for the period. But, the Municipality had deposited only ₹2.24 crore. Thus, there was a short deposit of ₹6.38 crore on this account. The reasons for the same were mainly attributed to delay in deduction of employees' contribution, which commenced only from 2011-12, non-deduction of such contribution from the casual employees drawing wages through muster rolls, etc.

Non-deposit of EPF dues would attract interest at the rate of 12 *per cent* per annum as per section 7Q of EPF & MP Act of 1952 and damage³² charges at the rate as may be applicable under section 14B of the Act, *ibid*. In reply, RGM stated (April 2015) that the deduction of EPF was done as per BoC resolution taken on 30 December 2011 and the Municipality was making efforts to regularise the EPF deduction/ contribution. The reply was not tenable since the Municipality was required to deposit EPF as per Act in order to avoid payment of interest and penalty.

7.6.3 Outstanding advance

Rule 189 of the West Bengal Municipal (Finance and Accounting) Rules, 1999 states that the officer who signs the accounts (relating to outstanding advance) shall at the same time satisfy himself that steps are being taken to recover or adjust advances, which have been outstanding for more than three months. At the close of every quarter, a list in Form 68 shall be prepared for outstanding advances.

Audit observed that the amount of outstanding advances increased from ₹8.20 lakh (as of April 2009) to ₹37.25 lakh (as of March 2014). It was seen that the quarterly lists in Form 68 were not prepared to facilitate monitoring. Further, it was noticed that in violation of the prescribed rule, the Municipality had allowed the Councillors, etc. to draw consecutive advances without obtaining the adjustment of previous advances outstanding for more than three months. The advances were generally paid for execution of various departmental works, emergency works, etc. Due to non-adjustment of advance, utilisation of the same for intended purposes could not be verified.

In reply, the Municipality stated (February 2015) that the Finance Officer always made constant vigil for prompt adjustment and that the Accounts Department would be cautious while checking adjustment bills in future. The reply is very

³¹ Respective amount of wages paid during June 2011 and March 2012 were not furnished to Audit.

³² In the shape of penalty charges.

general and does not address the issue raised in Audit which is about steady accumulation of outstanding advances and lack of proper monitoring.

7.6.4 e-Governance system

The e-Governance system was planned to include all the functional services provided by a Municipal Body. In order to bring more transparency and enhance the service delivery system of the Municipality, 14 modules³³ of e-Governance system were installed by a firm on 7 April 2009. But the Municipality did not implement the modules (except Birth and Death and Trade License modules) as of March 2014 due to lack of technical expertise and as a result failed to improve its internal control system and service delivery mechanism with the help of IT-enabled environment. In reply, the RGM stated (April 2015) that modules could not be implemented in a full-fledged manner due to lack of adequate technical support. The reply is just an excuse and falls short of addressing the issue in order to resolve the shortage in future.

7.7 Resource mobilisation

The major sources of revenue of the Municipality include property tax, mutation fee on transfer of lands and buildings, etc.

7.7.1 Valuation of holdings

Property tax on land and building is determined on the basis of annual value of that holding. Section 109(2) of the Act of 1993 stipulated that CIC of a Municipality shall cause a general valuation of all the holdings in a municipal area after its constitution and ensure that there is revision of annual valuation of all holdings at the termination of successive period of five years.

Last assessment of all holdings was made by the West Bengal Valuation Board (WBVB) during 2004-05 and the same was effective from the second quarter of 2005-06, i.e. 1 July 2005. Hence, the next valuation of all municipal holdings became due on 1 July 2010. But the general valuation of all holdings was not made until April 2015. The Municipality informed (April 2015) that it had taken up the matter with WBVB, but the process could not materialise due to dissolution of BoC. The reply was not tenable since the Municipality was required to make concerted efforts to get the valuation done by the WBVB within a reasonable timeframe i.e. before the expiry of term of office of the last BoC³⁴ of the Municipality which was in July 2014, and the Municipality had enough time after July 2010 to complete the job.

³³ Administration, Birth and Death, Health System, Financial Accounting System, Payroll, ULB infrastructure, School Information System, Property Tax, Infrastructure Management System, Building Plan, Water Works Management, Public Grievance and Redressal, Ward Wise Management System and Trade License.

³⁴ The term of office of the BoC ended on 21 July 2014.

7.7.2 Redistribution of work

Rule 38 of the Rules of 1999 states that no Collecting Sarkar (CS) should be in charge of a circle for a continued period of more than two years. It was noticed that 35 wards of the Municipality were divided into ten circles and one CS was selected for each circle in July 2009. Audit observed that no re-distribution of wards/ circles took place in accordance with the prescribed rule which was aimed to prevent development of vested interests. In reply, the Municipality assured (April 2015) that necessary action would be taken.

7.7.3 Non-maintenance of basic records relating to property tax

The Municipality did not maintain basic records like Demand and Collection Register, Abstract of Demand and Collection Register, Remission Register, Register of Remission Order etc., which were required to be maintained under rules 63, 64 and 66 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, for proper monitoring of tax administration.

7.7.4 Accumulation of arrears

The year-wise position of demand and collection of property tax of the Municipality for the period 2009-14 is given below.

Table 7.1 : Demand and collection of property tax for the period 2009-14

Year	Demand			Actual realisation			Closing Balance	Percentage of realisation against demand		
	Arrear	Current	Total	Arrear	Current	Total	Total	Arrear	Current	Total
	₹ in lakh									
2009-10	629.40	467.09	1096.49	171.98	166.90	338.88	757.61	27	36	31
2010-11	757.61	494.59	1252.20	165.63	181.65	347.28	904.92	22	37	28
2011-12	904.92	527.48	1432.40	207.99	212.16	420.15	1012.25	23	40	29
2012-13	1012.25	555.02	1567.27	174.11	223.27	397.38	1169.89	17	40	25
2013-14	1169.89	580.87	1750.76	182.90	285.76	468.66	1282.10	16	49	27
Total	4474.07	2625.05	7099.12	902.61	1069.74	1972.35				

Source: Data furnished by the Municipality.

As per rule 34(2) of the Rules of 1999, each Collecting Sarkar (CS) attached to a collecting circle should collect 30 per cent of arrear demand and 80 per cent of current demand. Against this, the overall arrear collection was between 16 per cent to 27 per cent and overall current collection ranged between 36 and 49 per cent. Thus, insufficient collection of current demand led to gradual accumulation of arrears. Apart from this, Audit noticed that the Municipality did not send demand notices to the tax payers and consequently failed to follow-up the matter as per municipal law.

7.7.5 Non-realisation of appropriate interest on arrear property tax

Section 149 of the Act of 1993 provides that when a property tax becomes due on any land or building, the Chairman shall cause to be presented to the owner or the occupier thereof a bill for the amount due. Section 151(5) of the Act of 1993

stipulates that on the amount of a bill remaining unpaid, simple interest shall be payable at such rate, not exceeding 10 *per cent* per annum, as may be determined by the BoC from time to time, on the said amount from the day next after the expiry of thirty days from the commencement of the quarter following that in which the bill is presented. Provided that BoC may, with the prior approval of the State Government, waive the interest in respect of one or more holdings, either wholly or in part. BoC resolved (30 July 2004) to realise interest at the rate of five *per cent* per annum on arrear property tax.

Scrutiny of records revealed that the Municipality did not issue such notices to the concerned owners or occupiers. Out of the total arrear of ₹9.03 crore collected during 2009-14, the Municipality realised interest on only ₹8.08 crore, the details of which are given below:

Table 7.2 : Details of interest on arrear property tax

Year	Amount of arrear	Amount of interest due (at the rate of five <i>per cent</i>)	Amount of interest realised	Short collection of interest
2009-10	154.05	7.70	2.02	5.68
2010-11	147.64	7.38	2.61	4.77
2011-12	189.19	9.46	3.84	5.62
2012-13	164.11	8.21	3.11	5.10
2013-14	153.33	7.67	3.83	3.84
Total	808.32	40.42	15.41	25.01

Thus, due to non-realisation of interest at the appropriate rate, there was short collection of revenue amounting to ₹25.01 lakh. In reply, the Municipality stated (April 2015) that the interest was exempted by the Chairman on the basis of applications received from the owners. The reply was not tenable, since BoC did not take approval of the State Government before waiving interest as envisaged in the Act of 1993.

7.7.6 Short accountal of mutation fee and mutation development fee

RGM collected ₹63.59 lakh and ₹929.47 lakh on account of mutation fee and mutation development fee³⁵ respectively during the period 2009-14 as per records of Mutation Department. However, the Accounts Department of the Municipality brought ₹61.09 lakh and ₹882.35 lakh in the book of accounts under the heads mutation fee and mutation development fee respectively, the details of which are shown below.

³⁵ Actually a development charge collected under the head of account 1401401.

Table 7.3 : Details of accounting of mutation fee and mutation development fee

Year	Amount realised		Amount taken into accounts		Amount not taken into accounts		
	Mutation fee	Mutation development fee	Mutation fee	Mutation development fee	Mutation fee	Mutation development fee	Total
	₹ in lakh						
2009-10	11.82	133.19	8.48	83.96	3.34	49.23	52.57
2010-11	11.80	118.20	11.80	118.20	0	0	0
2011-12	15.30	232.23	16.05	232.23	(-) 0.75	0	(-) 0.75
2012-13	13.53	234.10	13.53	234.10	0	0	0
2013-14	11.14	211.75	11.23	213.86	(-) 0.09	(-) 2.11	(-) 2.20
Total	63.59	929.47	61.09	882.35	2.50	47.12	49.62

Thus there was short account of mutation fee and mutation development fee amounting to ₹49.62 lakh. The Municipality attributed (April 2015) the reasons for discrepancy to manual maintenance of records by the Mutation Department, wrong classification of code, etc. This indicated that due to non-implementation of e-Governance system in proper manner the functional Departments of the Municipality failed to reconcile the corresponding figures/ records.

7.8 Service delivery mechanism – Solid Waste Management

Section 260 of the Act of 1993, states that BoC should provide for the functions of collection, removal and disposal of solid wastes for efficient scavenging and cleansing of all streets, public places and premises within a Municipality. In addition to this, the Municipality is required to adhere to the provisions of Municipal Solid Wastes (Management and Handling) Rules, 2000 (Rules of 2000).

7.8.1 Inadequate provision for temporary deposit of solid waste

As per section 261 of the Act of 1993, the Municipality should make provision for receptacles, depots and places for temporary deposit of solid waste. The Municipality comprises 35 wards, but had only six vats at six different wards³⁶ and two trolleys³⁷ for temporary collection of solid waste. Thus, the provisions made by the Municipality for temporary collection of solid waste were inadequate.

7.8.2 Cleansing of streets not done regularly

Section 263 of the Act of 1993 stipulated that the Municipality should take measures for daily surface-cleansing of all streets within the municipal area and removal of wastes therefrom. However, the system of daily sweeping of streets was not introduced till January 2015.

³⁶ At Ward Nos. 6, 7, 8, 14, 26 and 35.

³⁷ At Chria More and Airport Ring Road Junction and at Narayantala (West).

7.8.3 Manual handling of solid waste

As per Rules of 2000, manual handling of waste should be prohibited. If unavoidable due to constraints, manual handling should be carried out under proper precaution with due care for safety of workers.

During a meeting of the Municipality held on 30 April 2012, concerns were expressed about the unhygienic condition of the *Kestopur* Central Vat (KCV) caused mainly due to irregular removal of waste from the site. At the time of joint physical verification of KCV in March 2015, it was noticed that manual handling of waste was being carried out without any precaution³⁸. The unhygienic condition of KCV not only polluted the surrounding atmosphere, but also posed a threat to the health of workers.



Kestopur Central Vat as on 24 March 2015

7.8.4 Non-segregation of solid waste

As per Rules of 2000, solid wastes were required to be separated into the groups of organic, inorganic, recyclable and hazardous wastes at the source of generation. The Rules of 2000 also stipulated that the municipal authority should undertake phased programme to ensure community participation in waste segregation. RGM did not undertake any programme to ensure community participation in waste segregation. The Municipality admitted (January 2015) that no segregation of solid waste was made at any stage from collection points to the place of disposal.

7.8.5 Avoidable expenditure on dumping of solid waste

As per resolution taken by BoC on 31 October 2007, the Municipality purchased land³⁹ for Solid Waste Management (SWM) project during the period 2007-12 at a cost of ₹66.22 lakh. Audit noticed that the Municipality did not take any initiative to utilise the land and instead dumped the entire solid waste at another⁴⁰ site located beyond the municipal area. The Municipality incurred an expenditure

³⁸ With protective gears like, gloves, masks, gum boots, etc.

³⁹ Measuring about 4 bigha 15 katha and 5 chitak.

⁴⁰ Ghorui Mathkol.

of ₹11.97 lakh during 2009-14 for using the said dumping ground. Thus, non-utilisation of own land (for dumping of solid waste) led to avoidable expenditure of ₹11.97 lakh.

In reply, the Municipality accepted (April 2015) the observation and stated that it could not discharge the responsibility pertaining to SWM due to shortage of manpower and poor infrastructure. The reply was not tenable since the Municipality engaged 2,192 casual employees (as of March 2014) to provide different services to the public. Further, the Municipality had its own land for SWM project.

7.9 Execution of miscellaneous works

7.9.1 Land for proposed municipal office building lying vacant

The Municipality purchased freehold land measuring about 1.448 acre from West Bengal Housing Infrastructure Development Corporation Limited in December 2007 on payment of ₹64.77 lakh for construction of its office building, etc. The Municipality approached (December 2008) the State Government seeking approval for the construction of municipal office building and Information Technology Park under Public Private Partnership model. The approval of the State Government was not found in records. In the municipal meeting held on 31 July 2012, a resolution was taken to construct municipal office building (Basement + G + 5 structure), commercial building (Basement + G + 8 structure) and an auditorium (covering an area of about 2,000 sqft) on the said land. It was also resolved in the meeting that negotiation would be made with bank for loan. A construction company would be engaged for construction works and Assistant Engineer of the Municipality would supervise the construction works.

Audit noticed that an amount of ₹0.90 lakh was paid (October 2013) to an agency for geotechnical investigation of the site. Thereafter no progress was made and the land was lying vacant.



Municipal land lying vacant as on 24 March 2015

It was observed that the Municipality had to incur an expenditure of ₹37.79 lakh on rent of office buildings during 2009-14. In reply, the Municipality stated (April

2015) that the land could not be utilised due to lack of fund.

7.9.2 Abandonment of work of sports complex/ football stadium

BoC of the Municipality resolved (31 January 2005) to construct a sports complex. For this, the State Government leased out (22 March 2006) a piece of land measuring about 5.81 acre⁴¹ for 30 years. The Municipality engaged (January 2006) the Industry Institute Partnership Cell of Jadavpur University for detailed survey, preparation of designs and drawings, etc. An estimate of ₹14.22 crore was prepared for piling and pile cap work (up to ground level) on the proposed sports complex. Scrutiny of the minutes of meeting of BoC held on 31 October 2006 revealed that the Municipality had decided to construct the sports complex mainly from donations received/ likely to be received from clubs, other organisations, etc. without identifying any specific and reliable source of fund.

The Municipality invited (July 2008) tenders for the work. The lowest tenderer (L1) quoted a rate of ₹16.03 crore for the work. The Municipality issued (February 2009) a work order for part of the work valuing ₹5.60 crore to L1 firm, a Government of India Enterprise. The work continued slowly, but the same was abandoned after some piling and pile cap work were executed due to non-availability of fund. Scrutiny of records revealed that no work was executed after 31 December 2010. The photograph of abandoned sports complex is given below.



Abandoned area of sports complex as on 24 March 2015

An amount of ₹2.57 crore was paid to the contractor from municipal fund for construction works. Also, the Municipality incurred an initial expenditure of ₹15.96 lakh⁴² for various purposes (e.g. service connection charge, soil investigation work, planning, topographical survey, etc.). Meanwhile, the Municipality decided (30 April 2013) to shift the project at a different location in order to cut down the estimated cost within an affordable limit.

Audit noticed that in continuation of the original work order of February 2009

⁴¹ Mouza – Arjunpur Krishnapur.

⁴² ₹1.32 lakh for service connection charge, ₹1.35 lakh for soil investigation work, ₹5 lakh paid to Jadavpur University for planning, ₹1.42 lakh for topographical survey, ₹6.87 lakh for miscellaneous expenses.

(issued for sports complex at *Mouza – Arjunpur Krishnapur*), the Municipality had issued (May 2013) a revised work order for football stadium with a capacity for 5,000 spectators at a different location (at *Narayantala*). Without inviting any fresh tender for this new project, the Municipality awarded the work to the earlier contractor at ₹6.53 crore (12.90 per cent above the estimate of ₹5.79 crore). After incurring an expenditure of ₹1.32 crore during 2013-14, the work was stopped due to paucity of fund. The following picture would reveal the condition of incomplete stadium.



Incomplete works of stadium at *Narayantala* as on 24 March 2015

Thus, the Municipality tried twice to construct sports complex/ stadium at different locations without proper planning and identifying any definite source of fund. Consequently the works were abandoned in both the cases due to paucity of funds. In the process, the Municipality made a wasteful expenditure of ₹4.05 crore⁴³. In reply, the Municipality stated (April 2015) that when sufficient funds could not be arranged, a revised estimate with reduced cost at different location was considered. Ultimately, the revised project was also abandoned due to non-availability of fund.

7.10 Collection of deviation charges for regularisation of unauthorised constructions

Section 218 of the West Bengal Municipal Act, 1993 states that if the construction of any building has commenced without obtaining sanction or has been completed/ altered otherwise than in accordance with the particulars on which such sanction was based or in violation of the Municipal Act, the BoC may make an order directing such construction to be demolished or altered upon such order. It shall be the duty of the owner to cause such demolition or alteration to the satisfaction of the BoC. In default, such construction may be demolished or altered by the BoC at the expense of the said owner. The Municipal Act/ Rules do not have any provision for regularisation of such unauthorised construction by imposition of fine/ penalty/ charge against respective owners.

Test check of records revealed that in spite of specific provision in the Act for

⁴³ ₹2.57 crore plus ₹0.16 crore plus ₹1.32 crore.

demolition of unauthorised construction, the Municipality collected ₹19.01 crore during 2009-14 by imposing ‘deviation charges’ for regularisation of 1,671 number of unauthorised constructions, the details of which are given below:

Table 7.4 : Details of collection of deviation charges

Year	No. of unauthorised constructions regularised	Deviation charges collected (₹ in lakh)
2009-10	244	434.42
2010-11	281	365.19
2011-12	314	339.70
2012-13	364	374.52
2013-14	468	387.56
Total	1671	1901.39

Source: Data furnished by the Municipality.

Such a charge is not allowed under municipal law, and BoC has no discretionary power in this regard. Collection of deviation charge was irregular. The Municipality, however, did not furnish any reply in this regard.

7.11 Conclusion

Performance Audit on the activities of RGM highlighted various instances of deficiencies in the sphere of municipal establishment, resource mobilisation, solid waste management, execution of different works, etc. The major deficiencies are listed below:

- Large number of casual employees engaged by the Municipality burdened the municipal fund to a great extent.
- Resource mobilisation in the shape of property tax was poor.
- Service delivery mechanism in respect of solid waste management was inadequate.

The matter was referred to Government in November 2015; reply had not been received (March 2016).