

PREFACE

This Report has been prepared for submission to the Government of Orissa in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) over the maintenance of accounts and audit of Urban Local Bodies (ULBs) by the Comptroller & Auditor General (C&AG) of India.

Based on the recommendations of the Eleventh Finance Commission, the State Government entrusted (May 2004) the audit of ULBs to the C&AG of India under section 20(1) of the C&AG's (Duties, Power and Conditions of Services) Act 1971 and TGS over the work of the Examiner, Local Fund Audit (LFA).

This is the second Report of the office of the Senior Deputy Accountant General, Local Bodies Audit and Accounts under the administrative control of the Principal Accountant General (Civil Audit) Orissa, Bhubaneswar which started functioning from October 2006.

This Report contains three chapters: Chapter I contains a brief introduction of the functioning of various levels of the ULBs in the State with the observations and comments on accounts, Chapter II deals with the observations on transaction audit arising out of inspection of ULB units and Chapter III contains a review on the Devolution of funds, functions and functionaries to the ULBs.

The cases mentioned in the Report are those, which came to notice during the course of test audit of accounts conducted in 2007-08 in respect of transaction pertaining to the year 2006-07.