

## PREFACE

1. As per Article 243Z of the Constitution “The Legislature of a State may by law, make provisions with respect to the maintenance of accounts by the Municipalities and the auditing of such accounts”. Government of Jharkhand has adopted the Bihar & Orissa Local Fund Audit Act, 1925 under which the Examiner of Local Accounts, Jharkhand, who heads the Local Audit Department in the office of the Principal Accountant General (Audit), Jharkhand, has been appointed for conducting audit of all the Local Bodies in Jharkhand.
2. This Report is prepared under the direction of the Comptroller & Auditor General of India for submission to the Government of Jharkhand. The cases mentioned in the Report are among those, which came to notice in course of test audit of accounts of 17 ULBs during 2009-10 as well as those which had come to notice in earlier years.
3. The purpose of this report is to give an overview of the functioning of ULBs in the State of Jharkhand and to draw the attention of the State Government and ULBs for remedial action for improvement, wherever necessary.
4. This is the fourth Annual Audit Report of the Examiner of Local Accounts, Jharkhand on the ULBs. The first such report was prepared for the year ending March 2006.