

## **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 (CAG) of India.

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

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 findings of performance audit on Mobilisation of Revenue Resources by ULBs and Chapter III contains observations on transaction audit.

The cases mentioned in the Report are among those, which came to notice during the course of test audit of accounts conducted during the year 2008-09 as well those which had come to notice in earlier years but were not dealt with in the previous Reports.