

PREFACE

The Report of the Comptroller and Auditor General of India (CAG) on Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) in Andhra Pradesh for the year ended 31 March 2007 is prepared for submission to the Governor of Andhra Pradesh under Article 151 (2) of the Constitution.

CAG conducts audit of PRIs and ULBs under Section 14 of C&AG's (DPC), Act, 1971. Further, based on the recommendations of the Eleventh Finance Commission, Government of Andhra Pradesh entrusted the C&AG with the responsibility of providing Technical Guidance and Supervision under Section 20 (1) of C&AG's (DPC) Act.

The Report contains three chapters. Chapter one gives an overview of the structure and finances of Local Bodies. Chapter two consists of the results of the performance audit of 'Implementation of National Rural Employment Guarantee Scheme in Andhra Pradesh', 'Financial Management of Vijayawada Municipal Corporation (including Information Technology Audit)' and a long paragraph on 'Functioning of Zilla Praja Parishads'. The last chapter contains observations arising out of audit of transactions in PRIs and ULBs.