

**P R E F A C E**

1. This Report has been prepared for submission to the Government of Madhya Pradesh in accordance with the terms of Technical Guidance and support by the Comptroller and Auditor General of India over the audit of Urban Local Bodies and Panchayati Raj Institutions.
2. This Report has been prepared in two Parts. Part - I deals with the observations on Urban Local Bodies and Part – II with the observations on Panchayati Raj Institutions.
3. The cases mentioned in the Report are those, which came to notice during the course of audit of accounts during 2010-11 as well as those which had come to notice during earlier years, but which could not be featured in the previous Reports. Matters relating to the periods subsequent to 2010-11 have also been included, wherever necessary.