

**Preface**

1. Subsequent to the 73<sup>rd</sup> and 74<sup>th</sup> amendments to the Constitution and increasing devolution of functions and funds to local bodies, the Eleventh Finance Commission envisaged entrustment of responsibility of exercising control and supervision over the accounts and audit of Local Bodies to the Comptroller and Auditor General of India.
2. The Government of Goa has entrusted Technical Guidance and Supervision over accounts and audit of Local Bodies to the Comptroller and Auditor General of India in November 2006.
3. This is the first Annual Technical Inspection Report for the year ended March 2006, prepared by the Office of Accountant General, Goa. While the Chapter I of this Report contains an overview and audit observations relating to Urban Local Bodies, the Chapter II deals with Panchayati Raj Institutions.
4. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2005-06 as well as those which came to notice after 2005-06.