

## **Preface**

This report has been prepared for submission to the Government of Gujarat in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) over the maintenance of accounts and audit of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) by the Comptroller & Auditor General (C&AG) of India. This is the Third Report prepared on the performance of Panchayati Raj Institutions and Urban Local Bodies in Gujarat.

2. Based on the recommendation of the Eleventh Finance Commission recommendations, the Government of Gujarat entrusted the Audit of PRIs/ULBs to the C & AG of India under Section 20 (1) of the C&AG's (DPC) Act, 1971 for providing technical guidance and supervision to the Director of Audit (Local Fund) Gujarat.

3. The Report consists of two Parts. Part A contains observations on Panchayati Raj Institutions and Part B contains observations on Urban Local Bodies.

4. The findings detailed in this Report are among those which came to notice during the course of test audit of accounts during the year 2007-08 and issues continued beyond 2007-08 are also included whenever necessary.