

Preface

1. Subsequent to the 73rd and 74th 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 audit of ULBs is carried out by the CAG under Section 14 of CAG's (Duties, Powers and Conditions of Service) Act, 1971 and of the VPs under Section 194 of the Goa Panchayat Raj Act. The Comptroller and Auditor General of India (CAG) is the sole auditor for ZPs. The audit is conducted under Section 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. 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 Second Annual Technical Inspection Report for the year ended March 2007, prepared by the Office of Accountant General, Goa. While the Part I of this Report contains an overview and audit observations relating to Urban Local Bodies, the Part 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 2006-07 as well as those which came to notice after 2006-07.