

PREFACE

This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2. This Report sets out the results of audit under various sections of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971, in respect of financial assistance given to urban local bodies and panchayat raj institutions.

3. Matters arising from the Finance and Appropriation Accounts for the year 2006-07 together with other points arising out of audit of transactions of the Government of Tamil Nadu are included in a separate volume of the Report (Civil) of 2006-07.

4. The Report containing the observations arising out of audit of statutory corporations, boards and Government companies and the Report containing such observations on revenue receipts are presented separately.

5. The cases mentioned in this Report are among those which came to notice in the course of test check of accounts of urban local bodies and panchayat raj institutions during the year 2006-07 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports on the Government of Tamil Nadu. Matters relating to the period subsequent to March 2007 have also been included wherever considered necessary.