

TABLE OF CONTENTS

Contents	Paragraph Number	Page Number
Preface		iii
CHAPTER-I		
An Overview of Urban Local Bodies		
Introduction	1.1	01
Administrative Organization of Urban Local Bodies	1.2	02
Database on finances	1.3	03
Transfer of functions	1.4	04
Sources of revenue	1.5	04
Utilization of funds	1.6	06
Overall Financial position of the ULBs	1.7	07
Internal control	1.8	08
Budgeting and budgetary procedure	1.9	08
Accounting arrangements	1.10	09
Audit arrangements	1.11	10
Position of entrustment of audit/Technical guidance and supervision to Comptroller and Auditor General of India	1.12	11
Other points	1.13	11
Conclusion	1.14	12
Recommendations	1.15	12

CHAPTER-II		
Audit of Transactions		
Non adjustment of advances	2.1	13
Diversion of fund	2.2	14
Avoidable expenditure on construction of roads	2.3	15
Avoidable expenditure	2.4	16
Excess expenditure	2.5	17
Unfruitful Expenditure	2.6	19
Loss of revenue	2.7	20

APPENDICES			
Appendix Nos.	Particulars	Paragraph Number	Page Number
1	Statement of Non-preparation of Monthly Accounts, Annual Account and Budget by the ULBs	1.9	22
2	Non-reconciliation of Cash Balances as on 31 st March 2008	1.10	24
3	Advances to different Departments- Officers and Employees	2.1	25
4	Detail of Interlocking Roads constructed over WBM by laying Cement Concrete 1:5:1	2.3	26
5	Detail of improvement of roads	2.5	27
6	Detail of short assessment of tax on Vishal Mega Mart, Civil Lines Allahabad	2.7	28

PREFACE

1. This report has been prepared for submission to the Government of Uttar Pradesh in accordance with the terms of Technical Guidance and Supervision (TGS) of the audit of accounts of Urban Local Bodies (ULBs) by the Comptroller and Auditor General of India as envisaged by the Eleventh Finance Commission.
2. This report has two chapters. Chapter-I contains a brief introduction of functioning of various levels of the ULBs in the state with the observations and comments on accounts and Chapter-II deals with audit comments based on compliance/transaction audit.
3. The cases mentioned in the report are those, which came to notice in the course of test audit/inspection of accounts during the year 2008-09. During the period from April 2008 to March 2009, accounting and other records of 8 Nagar Nigams, 22 Nagar Palika Parishads and 45 Nagar Panchayats were inspected.