

PREFACE

1. The Report of the Comptroller and Auditor General of India (CAG) on Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) in Andhra Pradesh for the year ended 31 March 2010 is prepared for submission to the Governor of Andhra Pradesh under Article 151 (2) of the Constitution.
2. CAG conducts audit of PRIs and ULBs under Section 14 (1) of CAG's (DPC) Act, 1971. Further, based on the recommendations of the Eleventh Finance Commission, Government of Andhra Pradesh has entrusted the CAG with the responsibility of providing Technical Guidance and Supervision under Section 20 (1) of CAG's (DPC) Act.
3. The Report contains three chapters. Chapter I gives an overview of finances and accounts of Local Bodies and their financial reporting. Chapter II deals with Performance Audits while Chapter III contains observations arising out of audit of transactions.
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 2009-10 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2009-10 have also been included wherever necessary.