

## **PREFACE**

*This Report is prepared for submission to the Governor under Article 151 of the Constitution. The findings arising from performance audit and audit of accounts of Local Self Government Institutions (LSGIs) for the years up to 2002-03 were included in the Report (Civil) of the Comptroller and Auditor General of India (CAG). From 2003-04 onwards a separate Report of the CAG on LSGIs is prepared each year for inclusion of audit findings relating to LSGIs.*

*Chapter I of this Report contains an overview of organisation, devolution and accountability framework of LSGIs. In Chapter II, Finances and Financial Reporting issues of LSGIs and comments arising from supplementary audit under the scheme of providing Technical Guidance and Supervision to the Director of Local Fund Audit under Section 20 (1) of the CAG's (DPC) Act, 1971 are included. The remaining chapters contain audit observations arising from thematic audit and audit of accounts of all categories of LSGIs viz., District Panchayats, Block Panchayats, Grama Panchayats, Municipal Corporations and Municipalities.*

*The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2010-11 as well as those which had come to notice in earlier years but could not be included in previous Reports. Matters relating to the period subsequent to 2010-11 have also been included wherever necessary.*