

**TABLE OF CONTENTS**

	Reference	
	Paragraph	Page No.
Overview		v
<b>CHAPTER I AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS</b>		
Introduction	1.1	1
Organisational Setup of PRIs	1.2	1
Functioning of PRIs	1.3	2
Formation of Various Committees	1.4	4
Audit Arrangements	1.5	4
Technical Guidance and Supervision by C&AG	1.6	5
Response to Audit Observations	1.7	6
Accountability Mechanism	1.8	7
Internal Audit and Internal Control System in PRIs	1.9	8
Submission of Utilisation Certificates	1.10	8
Financial Reporting Issues	1.11	8
<b>CHAPTER II AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF URBAN LOCAL BODIES</b>		
Introduction	2.1	13
Organisational Setup of ULBs	2.2	13
Functioning of Urban Local Bodies	2.3	14
Formation of Various Committees	2.4	15
Audit Arrangements	2.5	15
Technical Guidance and Supervision by C&AG	2.6	17
Response to Audit Observations	2.7	17
Accountability Mechanism	2.8	18
Submission of Utilisation Certificates	2.9	19
Internal Audit and Internal Control System of ULBs	2.10	19

Financial Reporting Issues	2.11	19
<b>APPENDICES</b>		
<b>Details</b>	<b>Appendix Number</b>	<b>Page Number</b>
List of units where discrepancies in maintenance of cash book were noticed (PRIs)	1.1	25
List of units where reconciliation of bank balances with cash book were not carried out (PRIs)	1.2	26
Organisational Structure	2.1	27
List of units where cash books not maintained/discrepancies in maintenance of cash book were noticed (ULBs)	2.2	28
List of units where reconciliation of bank balances with cash book were not carried out (ULBs)	2.3	29
Status of arrears in preparation of accounts of Municipal Councils and Nagar Panchayats	2.4	30