TABLE OF CONTENTS

Paragraph	Particulars	Page	
	Preface	vii	
	Executive Summary	ix	
Chapter-I : Social Sector			
1.1	Introduction	1	
1.2	Planning and conduct of Audit	1	
	Performance Audit		
	Public Health Engineering Department		
1.3	"National Rural Drinking Water Programme (NRDWP)"	2	
	Compliance Audit Paragraphs		
	Mizoram Youth Commission		
1.4	Doubtful payment to consultants	29	
	Disaster Management & Rehabilitation Department		
1.5	Undue favour to the vendor	31	
	Follow up of Audit Observations		
1.6	Non-submission of <i>suo moto</i> Action Taken Notes	32	
1.7	Response to audit observations and compliance thereof by the Executive	32	
1.8	Audit Committee Meetings	33	
	Chapter-II: General Sector		
2.1	Introduction	35	
2.2	Planning and conduct of Audit	35	
	Follow up of Audit Observations		
2.3	Non-submission of suo moto Action Taken Notes	36	
2.4	Response to audit observations and compliance thereof by the Executive	36	
2.5	Audit Committee Meetings	37	
Chapter-III : Economic Sector (Other than State Public Sector Undertakings)			
3.1	Introduction	39	
3.2	Planning and conduct of Audit	39	

Paragraph	Particulars	Page
	Compliance Audit Paragraphs	
	Rural Development Department	
3.3	Border Area Development Programme (BADP)	40
	Irrigation and Water Resources Department	
3.4	Accelerated Irrigation Benefits Programme	59
	Horticulture Department	
3.5	Avoidable expenditure	71
	Follow up action on Audit Observations	
3.6	Non-submission of <i>suo moto</i> Action Taken Notes	73
3.7	Response to audit observations and compliance thereof by the Executive	73
3.8	Audit Committee Meetings	74
Chap	ter-IV : Economic Sector (State Public Sector Undertakin	ngs)
4.1	Introduction	75
4.2	Accountability framework	75
4.3	Statutory Audit	76
4.4	Role of Government and Legislature	76
4.5	Stake of Government of Mizoram	76
4.6	Investment in State PSUs	77
4.8	Special supports and returns during the year	78
4.9	Reconciliation with Finance Accounts	79
4.10	Arrears in finalisation of accounts	80
4.12	Performance of SPSUs	81
4.15	Accounts Comments	82
4.16	Follow up action on Audit Reports	82
4.17	Discussion of Audit Reports by CoPU	83
4.18	Compliance to Reports of Committee on Public Undertakings (CoPU)	83
Chapter-V : Revenue Sector		
5.1	Trend of revenue receipts	85
5.2	Analysis of arrears of revenue	86
5.3	Arrears in assessments	86

Paragraph	Particulars	Page
5.4	Evasion of tax detected by the Department	87
5.5	Pendency of Refund Cases	87
5.6	Response of the Government/Departments towards audit	88
5.6.1	Departmental Audit Committee Meetings	89
5.6.2	Response of the departments to the draft audit paragraphs	89
5.6.3	Follow up on the Audit Reports – summarised position	89
5.7	Analysis of the mechanism for dealing with the issues raised by Audit	90
5.7.1	Position of Inspection Reports	90
5.7.2	Recovery of accepted cases	90
5.8	Audit Planning	91
5.9	Results of audit	91
5.10	Coverage of this Report	91
	Compliance Audit Paragraphs	
	Excise and Narcotics Department	
5.11	Misappropriation of Government Funds	92
	Taxation Department	
5.12	Non-levy of penalty	94
5.13	Evasion of tax	95
	Geology & Mineral Resources Department	
5.14	Short levy of penalty for illegal transportation of minor minerals	96
5.15	Non-levy of penal rate of annual license fee	97
5.16	Short levy of royalty	98

LIST OF APPENDICES

Appendix	Subject	Page
1.1.1	Statement showing funds under Central Schemes transferred directly to State Implementing Agencies under Social Sector during 2016-17	101
1.3.1	Statement showing selection of districts, blocks and villages	102
1.3.2	Statement showing component-wise release and expenditure	103
1.3.3	Statement showing delay in release of funds received from GoI	104
1.3.4	Statement showing inclusion of repair works under Coverage and Sustainability component during 2012-17	105
1.3.5	Statement showing the details of expenditure incurred for Operation and Maintenance in the Urban WSS	110
1.3.6	Statement showing the details of procurement of furniture, stationery, hiring of vehicles, <i>etc.</i> from operation and maintenance fund	112
1.3.7	Statement showing the details of funds under 'Sustainability' component diverted for execution of piped water supply schemes	113
1.3.8	Statement showing the details of award of works without call of tender	114
1.3.9	Statement showing the details of community water purification plants	118
1.3.10	Statement showing the details of Work Contract Tax included in the cost of works	119
1.3.11	Statement showing the details of estimates for construction of seven RCC Reservoirs using the Department's mathematical model	122
1.4.1	Statement showing the details of placement of trained youths by the consultants	123
2.1.1	Statement showing funds under Central Schemes transferred directly to State Implementing Agencies under General Sector during 2016-17	124
3.1.1	Statement showing funds under Central Schemes transferred directly to State Implementing Agencies under Economic Sector (Other than Public Sector Undertakings) during 2016-17	125

Appendix	Subject	Page
3.3.1	Statement showing sample selection	127
3.3.2	Statement showing list of inadmissible works taken up under BADP	128
3.3.3	Statement showing the delay in release of fund	131
3.3.4	Statement showing expenditure incurred on hiring of excavator (JCB)/ pick up truck/ vibratory roller but were found to be of LMVs and two wheelers	132
3.3.5	Statement showing deductible amount of contractor's profit from the estimate under Lungsen and Champhai block during 2014-15 and 2016-17	137
3.3.6	Statement showing works shown as completed but yet to start	138
3.3.7	Statement of works shown as complete but found incomplete	139
3.4.1	Statement showing projects sample	140
3.4.2	Statement showing delay in release of funds by the State Government	141
3.4.3	Statement showing excess expenditure on hire charges of excavator	142
3.4.4	Statement showing cases of subletting of works	143
3.4.5	Statement showing delay in completion of projects	144
4.1.1	Statement showing investments made by State Government in SPSUs whose accounts are in arrears	145
4.1.2	Summarised financial position and working results of Government companies and Statutory Corporations as per latest finalised accounts and information furnished by the Companies	146
5.11.1	Statement showing amount of salary drawn from treasury and actual disbursement	147
5.12.1	Statement showing non-levy of penalty from dealers failing to submit Chartered Accountant's Audited Statement	151