## TABLE OF CONTENTS

Para No.	Title	Page	
	Preface	v	
	Executive Summary	vii	
CHAPTER-I Finances of the State			
1.1	Profile of the State	1	
1.2	Basis for State Finances Audit Report	1	
1.3	Budgetary Processes	2	
1.4	Structure of Government Accounts	3	
1.5	Gross State Domestic Product	4	
1.6	Fiscal Correction Path	6	
1.7	Trends in key Fiscal Parameters	7	
1.8	Major changes in key fiscal aggregates vis-à-vis 2017-18	9	
1.9	Sources and Application of Funds	10	
1.10	Summary of Current Year Fiscal Transactions	10	
1.11	Budget Estimates and Actuals	12	
1.12	Buoyancy Ratios	13	
1.13	Major policy initiatives in Budget Speech	14	
1.14	Resources of the State	14	
1.15	Revenue Receipts	16	
1.16	Capital Receipts	22	
1.17	Public Account Receipts	23	
1.18	Reserve Funds	24	
1.19	Application of Resources	26	
1.20	Quality of Expenditure	34	
1.21	Financial Analysis of Expenditure and Investments	37	
1.22	Assets and Liabilities	41	
1.23	Debt Management and Sustainability	43	
1.24	Conclusion	47	
1.25	Recommendations	47	

Para No.	Title	Page		
CHAPTER-II				
Budgetary Management				
2.1	Introduction	49		
2.2	Budget preparation process	49		
2.3	Financial Accountability and Budget Review	49		
2.4	Sub-optimal utilisation of budgeted funds	51		
2.5	Missing/Incomplete Explanation for Variation from Budget	<i>51</i>		
2.6	Large and Persistent Savings in Grants/Appropriation	53		
2.7	Appropriation vis-à-vis Allocative Priorities	54		
2.8	Financial Accountability	57		
2.9	Excessive/unnecessary Re-appropriation of funds	59		
2.10	Review of selected Grant	59		
2.11	Conclusion	61		
2.12	Recommendations	61		
	CHAPTER-III			
	Financial Reporting			
3.1	Introduction	63		
3.2	Opaqueness in Accounts - Operation of Omnibus Minor Head 800	63		
3.3	Delay in submission of Utilisation Certificates	64		
3.4	Non-submission of Detailed Countersigned Contingent (DCC) Bills	66		
3.5	Timeliness and Quality of Accounts	67		
3.6	Suspense and Remittance Balances	68		
3.7	Accounting of transactions relating to Central Road Fund	69		
3.8	Reconciliation of Cash Balances	69		
3.9	Compliance with Indian Government Accounting Standards	69		
3.10	Audit of Accounts	70		
3.11	Building and Other Construction Workers' Welfare Cess	71		
3.12	Misappropriation, losses and defalcations	73		
3.13	Follow-up action on Audit Reports	74		
3.14	Conclusion	74		
3.15	Recommendations	75		

Appendix Number	Title	Page
Appendix-1.1	Part-A: State Profile	77
	Part-B: Layout of Finance Accounts	78
	Part-C: Definition of major Three Sectors in Economy for computing Gross State Domestic Product	80
Appendix-1.2	Time Series data on State Government Finances	81
Appendix-1.3	Abstract of Receipts and Disbursements for 2018-19	84
Appendix-1.4	Funds under Central Schemes transferred directly to State Implementing Agencies	87
Appendix-1.5	Statement showing the details of amount parked in the savings/current bank accounts by the various Drawing and Disbursing Officers of different State Government Departments	90
Appendix-1.6	Assets and Liabilities of the GoM as on 31 March 2019	120
Appendix-2.1	Numbers of Sub-Heads - Grant-wise which required replies for variations (Excess/Saving)	121
Appendix-2.2	Details of savings not surrendered (₹10 lakh and above)	123
Appendix-2.3	Statement of various Grants/Appropriation where savings were more than ₹One crore each or more than 20 per cent of the total provision	124
Appendix-2.4	Results of review of substantial surrenders (more than 50 per cent of total provision) made during 2018-19	126
Appendix-2.5	Unexplained surrender of more than ₹10 lakh	131
Appendix-2.6	Unnecessary Supplementary Provision (₹10 lakh and above)	134
Appendix-2.7	Excessive/Inadequate/Unnecessary re-appropriation of funds (₹10 lakh and above)	135
Appendix-3.1	Year-wise break-up of outstanding DCC Bills as on 31 March 2019	136
Appendix-3.2	Delay in deposit of collected Cess to Mizoram Building and Other Construction Workers' Welfare Board by the Cess Collectors	137
Appendix-3.3	Statement showing the details of non-deduction of labour cess detected in 2019-20	141