

## TABLE OF CONTENTS

<i>Particulars</i>	<i>Paragraph</i>	<i>Page</i>
Preface		v
Executive Summary		vii
<b>CHAPTER I – Overview of the State Finances</b>		
Profile of the State	1.1	1
Basis and Approach to State Finances Audit Report	1.2	5
Overview of Government Accounts Structure and Budgetary Processes	1.3	6
Budget Documents	1.4	6
Fiscal Balance: Achievement of deficit and total debt targets	1.5	11
Deficits and Total Debt after examination in audit	1.6	14
Conclusion	1.7	15
Recommendations	1.8	16
<b>CHAPTER II – Finances of the State</b>		
Major changes in Key fiscal aggregates during 2022-23 <i>vis-à-vis</i> 2021-22	2.1	17
Sources and Application of Funds	2.2	17
Resources of the State	2.3	18
Application of Resources	2.4	31
Public Account	2.5	47
Public liability management	2.6	52
Debt Sustainability Analysis (DSA)	2.7	58
Conclusion	2.8	65
Recommendations	2.9	67
<b>CHAPTER III – Budgetary Management</b>		
Budget Process	3.1	69
Appropriation Accounts	3.2	73
Comments on integrity of budgetary and accounting process	3.3	73
Comments on effectiveness of budgetary and accounting process	3.4	80
Conclusion	3.5	87
Recommendations	3.6	88

<i>Particulars</i>	<i>Paragraph</i>	<i>Page</i>
<b>CHAPTER IV – Quality of Accounts and Financial Reporting Practices</b>		
Funds transferred directly to State implementing agencies	4.1	89
Delay in submission of Utilisation Certificates	4.2	90
Abstract Contingent Bills	4.3	91
Indiscriminate use of Minor Head 800	4.4	93
Non-preparation of Accounts and non-submission of audited statement in the State Legislature	4.5	97
Outstanding balance under major Suspense and DDR heads	4.6	97
Reconciliation of Departmental figures	4.7	98
Reconciliation of Cash Balances	4.8	98
Compliance with Accounting Standards	4.9	99
Submission of Accounts of Autonomous Bodies	4.10	100
Grants / loans given to bodies and authorities	4.11	101
Timeliness and Quality of Accounts	4.12	101
Misappropriations, losses, thefts, <i>etc.</i>	4.13	103
Follow up action on State Finances Audit Report	4.14	104
Implementation of Recommendations of State Finance Commission on fiscal devolution	4.15	104
Conclusion	4.16	105
Recommendations	4.17	106
<b>CHAPTER V – Functioning of State Public Sector Enterprises</b>		
Definition of Government Companies	5.1	107
Mandate of Audit	5.2	107
SPSEs and their contribution to the GSDP of the State	5.3	107
Investment in SPSEs	5.4	108
Budgetary assistance to SPSEs	5.5	109
Investment in SPSEs and Budgetary Support	5.6	110
Returns from SPSEs	5.7	111
Long Term Debt of SPSEs	5.8	111
Financial Performance of SPSEs	5.9	112
SPSEs incurring Losses	5.10	113
Audit of State Public Sector Enterprises (SPSEs)	5.11	114
Appointment of statutory auditors of SPSEs by CAG	5.12	114

<i>Particulars</i>	<i>Paragraph</i>	<i>Page</i>
Submission of accounts by State Public Sector Enterprises	5.13	115
CAG's oversight- Audit of accounts and supplementary audit	5.14	117
Result of CAG's oversight role	5.15	118
Conclusion	5.16	118
Recommendations	5.17	118

## APPENDICES

<i>Appendix No.</i>	<i>Particulars</i>	<i>Page</i>
Appendix 1.1	Part – A: Glossary of important Budget related terms	121
	Part – B: State Profile	125
	Part –C: Time Series Data on State Government Finances	126
Appendix 1.2	Summarised Financial Position of the Government of Nagaland as on 31 March 2023	129
Appendix 2.1	Details of Funds parked in Single Nodal Accounts as on 31 March 2023	130
Appendix 3.1	Expenditure in excess of ₹10 lakh without provision at Sub-Head level	134
Appendix 3.2	Cases where Supplementary Provision proved unnecessary	135
Appendix 3.3	Excess/ unnecessary/ insufficient re-appropriation	136
Appendix 3.4	Statement of various Grants/ Appropriations where Savings were more than ₹One crore each or more than 20 per cent of the Total Provision	139
Appendix 3.5	Statement showing Sub-Head where entire expenditure was incurred in March 2023	141
Appendix 4.1	Department-wise list of Outstanding Utilisation Certificates (UCs) for the Grants provided up to the year 2022-23	141
Appendix 4.2	Outstanding Detailed Countersigned Contingent (DCC) Bills against the drawal of Abstract Contingent (AC) Bills up to the year 2022-23	142

<b><i>Appendix No.</i></b>	<b><i>Particulars</i></b>	<b><i>Page</i></b>
Appendix 4.3	Department-wise/ Duration-wise Break-up of the Cases of Misappropriation, Defalcation <i>etc.</i> , (Cases where Final Action was pending at the end of March 2023)	142
Appendix 5.1	Statement showing summarised financial position and working results of State Public Sector Enterprises (all Government companies) as per their latest accounts finalised as on 30 September 2023	143
Appendix 5.2	Year-wise details of investment by the State Government and its present value (PV) of Government Investment for the period from 2012-13 to 2022-23	145