

**CHAPTER – II**  
**GENERAL SECTOR**



## CHAPTER-II

### GENERAL SECTOR

#### 2.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2017 deals with the findings on audit of the State Government Departments under General Sector.

During 2016-17, against a total budget provision of ₹ 2,485.50 crore, a total expenditure of ₹ 1,928.18 crore was incurred by 13 departments under the General Sector. The department-wise details of budget provision and expenditure incurred there against are shown in Table-2.1.1.

**Table-2.1.1:- Details of department-wise budget provision and expenditure**

(₹ in crore)			
Sl. No.	Name of the Department	Budget provision	Expenditure
1.	Legislative Assembly	21.18	19.58
2.	Governor	7.04	6.68
3.	Council of Ministers	6.36	5.54
4.	Law and Judicial	50.65	28.69
5.	Vigilance	5.64	5.47
6.	Finance	1213.63	793.52
7.	Mizoram Public Service Commission	6.23	5.52
8.	Secretariat Administration	113.36	94.09
9.	Parliamentary Affairs	0.70	0.62
10.	General Administration Department	86.49	70.68
11.	Home	654.23	580.47
12.	Printing and Stationery	18.97	16.30
13.	District Councils	301.02	301.02
<b>Total</b>		<b>2485.50</b>	<b>1928.18</b>

Source: Appropriation Accounts, Government of Mizoram, 2016-17

Besides, the Central Government has been transferring a sizable amount of funds directly to the implementing agencies of the State Government for implementation of various programmes of the Central Government. During 2016-17, ₹ 26.15 crore was directly released to different implementing agencies, under General Sector. The details are shown in **Appendix-2.1.1**.

#### 2.2 Planning and conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government. The risk criteria involved expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls *etc.*

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the Heads of the Departments. The Departments are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Audit findings are either settled or further action for compliance is advised whenever replies are received. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Report.

During 2016-17, an expenditure of ₹ 1,125.62 crore (including funds pertaining to previous years audited during the year) of the State Government under General Sector were test checked.

## FOLLOW UP OF AUDIT OBSERVATIONS

### 2.3 Non-submission of *suo moto* Action Taken Notes (ATNs)

With a view to ensuring accountability of the Executive in respect of all the issues addressed in various Audit Reports, the Public Accounts Committee (PAC) issued (May 2000) instructions for submission of *suo moto* ATNs on all paragraphs and Performance Audits featured in the Audit Report within three months of its presentation to the Legislature. For submission of the Action Taken Notes (ATNs) on its recommendations, the PAC provided six months time.

A review of follow up action on submission of *suo moto* ATNs disclosed that there was pendency in respect of the Audit Reports for the years 2011-12 to 2013-14. The Audit Report for the year 2015-16 was laid on the table of the State legislative assembly on 25 May 2017. The *suo moto* replies in respect of two paragraphs that had appeared in the Audit Report were due by the end of August 2017. However, no replies in respect of the paragraphs were received as of December 2017, even after a delay of about four months.

Thus, due to the failure of the respective Departments to comply with the instructions of the PAC, the objective of ensuring accountability remained unachieved.

### 2.4 Response to audit observations and compliance thereof by the Executive

Accountant General (Audit) conducts periodical inspections of Government Departments to test-check the transactions. The maintenance of significant accounting and other records as per the prescribed rules and procedures is also verified. These inspections are followed by the Inspection Reports (IRs) issued to the Heads of Offices inspected, with a copy to the next higher authorities. Rules/orders of the Government provide for prompt response by the Executive to the IRs. The Heads of Offices and next higher authorities are required to rectify the defects and omissions promptly and report their compliance to the Accountant General. Serious irregularities are also brought to the notice of the Head of the Department by the Office of the Accountant General.

As of March 2017, a review of the outstanding IRs issued during 2008-17 revealed that 244 paragraphs relating to 77 IRs remained outstanding as shown in the following Table:

**Table-2.4.1:- Details of outstanding IRs**

Name of the Sector	Opening Balance (upto 2015-16)		Addition during the year 2016-17		Disposal during the year 2016-17		Closing Balance	
	IR	Paras	IR	Paras	IR	Paras	IR	Paras
General	56	175	22	110	01	41	77	244

**2.5 Audit Committee Meetings**

State Government had notified (04 September 2013) constitution of Audit Committees (ACs). ACs are to consider and take measures for timely response and speedy settlement of outstanding paragraphs of Inspection Reports lying in different departments.

During 2016-17, no audit committee meeting was held in respect of General Sector.

