

# PREFACE

This Report on the finances of the Government of Bihar, has been prepared for submission to the Governor of Bihar, under Article 151 of the Constitution.

This Report intends to assess the financial performance of the State, during 2021-22 and to provide the State Legislature with inputs based on audit analysis of financial data. The Report also analyses the financial performance against the targets envisaged by the Bihar Fiscal Responsibility and Budget Management (Amendment) Act, 2016, the XV<sup>th</sup> Finance Commission (FC) Report, Rules and Codes, meant for management of Government functions and the Budget Estimates of 2021-22. This Report is structured in five Chapters.

**Chapter I** analyses changes in major fiscal aggregates based on the audit of the Finance Accounts and an assessment of the Bihar Government's fiscal position, as on 31 March 2022.

**Chapter II** provides an insight into deficit management of Government, trends in revenue and capital expenditure, contingent issues, committed and obligatory expenditure, subsidies, debt, investment, and borrowing patterns. It provides an audit perspective of the finances of the Government of Bihar, for the year 2021-22 and analyses critical changes in major fiscal aggregates based on the details contained in the Finance Accounts of the State related to the previous years and an assessment of the fiscal position as on 31 March 2022.

**Chapter III** examines the budgetary controls, expenditure controls and its accounting thereon. It is based on the audit of the Appropriation Accounts and gives, a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter IV** provides an overview of the quality of Accounts and compliance of the State Government in its financial reporting practices with prescribed financial rules, procedures and directives during the current year.

**Chapter V** provides an overview on 'Summary of Financial Performance of State Public Sector Enterprises'.

The Reports containing the findings of performance audit and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

The Audit has been conducted, in conformity with the Auditing Standards, issued by the Comptroller and Auditor General of India.