

PREFACE

1. The State Finances Audit Report has been prepared for submission to the Governor of Nagaland under Article 151(2) of the Constitution of India for being laid before the Legislative Assembly of the State of Nagaland.
2. Chapter I of this Report contains the basis and approach to State Finances Audit Report, structure of the Report, structure of Government Accounts, budgetary processes, snapshot of finances, assets and liabilities, and trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/ deficit, *etc.*
3. Chapter II of this Report deals with the State's Budget and Expenditure as per accounts of the State Government for the year ended 31 March 2023. Some information has also been obtained from Government of Nagaland for inclusion in this Report.
4. Chapter III of this Report contains audit observations on matters arising from the examination of Appropriation Accounts of the State Government for the year ended 31 March 2023.
5. Chapter IV on 'Quality of Accounts & Financial Reporting Practices' provides an overview and status of the State Government's compliance during the year 2022-23 with financial rules, procedures and directives.
6. Chapter V on 'Functioning of State Public Sector Enterprises' provides the analysis of Audit of State Public Sector Enterprises regarding investment, disinvestments, returns, debt servicing, performance and losses incurred, also the CAG's oversight on Audit of accounts of State Public Sector Enterprises.
7. The Report containing audit findings of Performance Audit; Compliance Audit of transactions in various departments and audit findings arising out of the audit of Statutory Corporations, Boards and Government Companies and Revenue Sector is presented separately.