

# Square Country — Financial Audit Report 2024 (₹)

**Auditor:** Office of the National Auditor  
**Fiscal Year:** 1 Jan – 31 Dec 2024  
**Currency:** ₹ (SCD)

## 1. Executive summary

- **Total revenue (2024 actual):** ₹57,800,000,000
- **Total expenditure (2024 actual):** ₹60,500,000,000
- **Fiscal balance: Deficit ₹2,700,000,000**
- **Financing sources:** Bonds ₹2,000,000,000; Reserve drawdown ₹700,000,000
- **Compliance:** All audited agencies submitted financial statements on time. Minor procedural irregularities noted, but no evidence of misappropriation.

**Opinion:** The financial statements present a **true and fair view** of the government's financial position for FY 2024, in accordance with SCD accounting standards.

## 2. Revenue actuals vs. budget (₹)

Source	Budget 2024	Actual 2024	Variance	Notes
Income & corporate taxes	₹27,000,000,000 0	₹26,500,000,000 0	-₹500,000,000	Slight under-collection due to slower corporate profits.
VAT & consumption taxes	₹15,500,000,000 0	₹15,900,000,000 0	+₹400,000,000	Stronger retail consumption in Q4.

Property & other taxes	₹3,800,000,000	₹3,900,000,000	+₹100,000,000	Mostly as expected.
Fees, dividends & non-tax revenue	₹6,800,000,000	₹6,950,000,000	+₹150,000,000	Dividend income slightly higher than forecast.
Grants & donor aid	₹2,800,000,000	₹3,000,000,000	+₹200,000,000	Additional grants received for health programs.
Natural-resource rents	₹2,000,000,000	₹1,550,000,000	-₹450,000,000	Commodity prices lower than projected.
<b>Total</b>	<b>₹58,900,000,000</b>	<b>₹57,800,000,000</b>	<b>-₹1,100,000,000</b>	

### 3. Expenditure actuals vs. budget (₹)

Sector	Budget 2024	Actual 2024	Variance	Notes
Education	₹8,800,000,000	₹8,900,000,000	+₹100,000,000	Slight overrun in teacher salary adjustments.
Health	₹10,500,000,000	₹10,700,000,000	+₹200,000,000	Additional pandemic preparedness costs.
Social welfare	₹11,900,000,000	₹12,100,000,000	+₹200,000,000	Increase in child benefits and unemployment support.
Infrastructure	₹6,900,000,000	₹7,100,000,000	+₹200,000,000	Road maintenance costs higher than anticipated.
Defense & public safety	₹3,500,000,000	₹3,450,000,000	-₹50,000,000	Minor savings from procurement delays.
Public administration	₹4,800,000,000	₹4,900,000,000	+₹100,000,000	IT upgrades and pay adjustments.
Environment & climate action	₹1,700,000,000	₹1,750,000,000	+₹50,000,000	Storm damage repairs.

Economic development	₹2,400,000,000	₹2,350,000,000	-₹50,000,000	Some grants delayed.
Debt service	₹6,000,000,000	₹6,100,000,000	+₹100,000,000	Slightly higher interest costs.
Contingency & reserves	₹2,500,000,000	₹2,250,000,000	-₹250,000,000	Lower than budgeted drawdowns.
<b>Total</b>	<b>₹58,000,000,000</b>	<b>₹60,500,000,000</b>	<b>+₹2,500,000,000</b>	

**Observation:** Expenditure slightly exceeded revenue, resulting in a **deficit of ₹2.7B**, within the tolerable range under the fiscal policy framework.

## 4. Fiscal position

Item	Amount (₹)
Starting debt (2024)	₹38,500,000,000
Fiscal deficit 2024	₹2,700,000,000
Debt issuance	₹2,000,000,000
Reserve drawdown	₹700,000,000
Closing debt (2024)	₹40,500,000,000
Debt/GDP ratio	20.25% (within policy target <30%)

## 5. Auditor's key findings

- Revenue collection:** Mostly compliant; minor delays in corporate tax filings.
- Expenditure management:** Minor overspends in health, social welfare, and infrastructure, but overall controls effective.
- Internal controls:** Adequate; recommendation to strengthen asset tracking in infrastructure projects.

4. **Transparency & reporting:** Financial statements submitted on time; publicly available on Ministry of Finance website.
  5. **Recommendations:**
    - Introduce quarterly monitoring for high-variance sectors.
    - Improve forecasting of natural resource rents to better align budget assumptions.
    - Continue modernization of financial management systems in ministries.
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## 6. Conclusion

The **FY 2024 audit concludes that Square Country's financial statements are reliable**, the fiscal deficit is manageable, and the government maintains sound fiscal discipline. Minor recommendations focus on forecasting improvements and internal control strengthening.