

G-25014/93/2017-18/MF.CGA/IAD/2077-2118
GOVERNMENT OF INDIA
MINISTRY OF FINANCE, DEPARTMENT OF EXPENDITURE
CONTROLLER GENERAL OF ACCOUNTS
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Dated: 16.03.2018

OFFICE MEMORANDUM

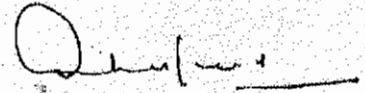
Sub: Annual Review on the Performance of Internal Audit for the year 2017-18 - Reg.

Internal Audit is an integral part of sound public financial management facilitating a critical assessment of economy, efficiency and effectiveness of service delivery mechanism of the Government of India. The Annual review depicts the audit activities and achievements of the Internal Audit Wings during the period of Report and helps to assess the performance of internal audit and to set directions for coming years.

Accordingly, the Annual review on the performance of Internal Audit for the year 2017-18 may be prepared in the prescribed format which is enclosed herewith.

The major irregularities observed may be detailed in brief but clearly mentioning the facts of para under the ten categories (chapter-III of format) while ensuring that the total of individual items under heading tallies with the consolidated amount indicated against the particular heading in chapter-II of the format.

All the Pr.CCAs/CCAs/CFC/CAs are requested to initiate necessary action for the submission of their Annual Review on the performance of Internal Audit Wing for the year 2017-18 to this office by **31st May 2018 positively**. It is to be ensured that Annual Review is prepared in the prescribed format mentioned above and a copy of the Annual Review is submitted to Secretary/Financial Adviser of your Ministry/Department. The report should be in "Microsoft Word, Times New Roman font with font size 12". A soft copy of Annual Review may also be sent this office on email address: iad.cga11@gmail.com.



(BHASKAR VERMA)
JOINT CONTROLLER GENERAL OF ACCOUNTS (IAD)

To,

All Pr.CCAs/CCAs/CFC/CAs(holding independent charge)

✓ Copy to Sr.AO(ITD) for uploading on CGA's website.



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GOVERNMENT OF INDIA
MINISTRY OF

PRINCIPAL ACCOUNTS OFFICE
INTERNAL AUDIT WING

ANNUAL REVIEW
ON THE PERFORMANCE OF
INTERNAL AUDIT 2017-18

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FORMAT OF ANNUAL REVIEW FOR INTERNAL AUDIT WINGS

Preface

Note: A Preface in this case, is your chance to speak directly to your Management about why you prepare the Annual Review, what it is about and why it is important. As it is an introduction, a preface should include information about the Annual Review. Give a brief description and just enough to get the reader interested in reading more. Remember to keep it short. You don't want the preface to drag on and on. A good rule is to try to keep it to one page and be sure it is free of spelling and grammatical errors.

CHAPTER-I **Executive Summary**

Note: Remember that your purpose is to provide an overview or preview to Management who may or may not have time to read the whole report carefully. An executive summary should explain why you wrote the report, emphasize your conclusions or recommendations and include only the essential or most significant information to support those conclusions. Executive summaries are usually organized according to the sequence of information presented in the full report, so follow the order of your report as you discuss the reasons for your conclusions. Executive summaries are usually proportional in length to the larger work they summarize, typically 10-15%. Most executive summaries are 1-2 paragraphs.

Performance of Internal Audit during the Financial Year 2017-18

Note:- Writing about effective performance objectives starts with understanding what performance objectives are and how they align with and support your organization's goals, objectives and priorities. The chapter on performance present the overall performance of Internal Audit Wing in terms of number of auditee units covered including Scheme, Banks and Grantee Institutions vis-à-vis the annual plan/target including Risk Based Internal Audit of different entities during the financial year under report. Also performance of units which are working on merged DDO Schemes, if any.

An overview of Major Findings of Internal Audit during the year 2017-18

Note: This portion of the Annual Review should include the analyzed summarization of major finding for the purpose of brevity and ease of presentation depicting the information on major shortcomings in both compliance and Risk Based Audit.

Sanctioned and working Strength of Internal Audit Wing as on 1st April of the Financial Year under report:

Category	Sanctioned Strength	In position
Group 'A'		
Group 'B'		
Group 'C'		
Consultant engaged, if any from the empanelled list.		

Total number of units and their periodicity

Periodicity	No. of units
Annual	
Biennial	
Triennial	
Any other	

Targets and achievements in term of Units audited (Other than Banks/Schemes/Grantee institutions).

Units due for audit during the year	Target for audit of units during the year	Units actually audited during the year (Annexure-II)	Arrear, if any	Reasons for arrear

Targets and achievements in terms of Schemes audited

Units due for audit during the year	Target for audit of units during the year	Units actually audited during the year (Annexure-II)	Arrear, if any	Reasons for arrear

Targets and achievements in terms of Banks /Grantee institutions audited

Units due for audit during the year	Target for audit of units during the year	Units actually audited during the year (Annexure-II)	Arrear, if any	Reasons for arrear

Status of outstanding Audit Paras

Nature of Para	Number of paras outstanding at the beginning of the year	Number of paras settled during the year	Number of paras raised during the year	Number of paras outstanding at the end of the year
Internal Audit paras				
Statutory Audit paras				
CGA's Audit Paras (in Pr.AO/PAO)				

CHAPTER – II
(SUMMARY REPORT OF PARAS SHOWN IN CHAPTER III)
(Including Schemes/Banks/PSUs/Grantee Institutions)

Sr. No	Nature of irregularities	No. of Paras	Total amount involved (Rs. In lakh)
1	Non-recovery of Govt. dues from Central Govt. Departments/State Govt./ Govt. bodies/Private parties.		
2	Over payments		
3	Idle machinery/surplus stores		
4	Loss/infructuous expenditure		
5	Irregular expenditure		
6	Irregular purchase		
7	Non-adjustment of advances- Contingency Advance- T.A. Advance- LTC Advance- Long Term Advances		
8	Blocking of Govt. money		
9	Non-accountal of costly stores/Govt. money		
10	Any other items of special nature		
	TOTAL:-		

CHAPTER – III
LIST OF IMPORTANT IRREGULARITIES
(Including Schemes /Banks /Grantee Institutions)
(AMOUNT NOT LESS THAN RUPEES ONE LAKH)
(Detailed guidelines available in Annexure-I attached).

1. Cases of non-recovery of Government dues from Central Govt. Departments/State Govt. / Govt. bodies/Private parties.

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

2. Cases of Overpayments

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

3. Cases of idle machinery/surplus stores

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

4. Cases of loss/in fructuous expenditure

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

5. Cases of irregular expenditure

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

6. Cases of irregular purchase

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				

7 Cases of non-adjustment of advances**(i) Contingent Advances**

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

(ii) Travelling Advances

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

(iii) Leave Travel Concession Advances

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

(iv) Long Term Advances

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

8 Cases of blocking of Govt. money

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				

9. Cases of non-accountal of costly stores/Govt. money

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				
4				

10 Any other items of special nature

Sr. No	Name of office	Para No. of Report	Amount (in lakhs)	Detail of Para in brief (in less than 30 words)
1				
2				
3				
4				

GUIDING NOTE FOR CHAPTER-III

S. No	Particulars	Specific Guidelines
1	Non-recovery of Govt. dues from Central Govt. Department/ State govt./ Govt. bodies/ Private parties	This should include cases of non recovery of Tax deduction at Source, non recovery of confirmed demand of Central Revenue, Non recovery of penal interest on delayed remittances, non recovery of penalty from exporters, non recovery of loan and interest thereon from State Govt./ private parties and non recoveries of guarantee fee etc.
2	Over payments	This segment includes overpayment of pay and allowances, excess payment of duty drawback/terminal excise duty and excess payment of taxes etc.
3	Idle machinery/ surplus stores	This includes review of installation and operating efficiency of expensive equipments and Machinery with physical verification of stores, tools and plant.
4	Loss/in fructuous expenditure	This includes Loss due to embezzlement, loss due to delay in completion of work, loss of stock due to improper storage and spillage, interest allowed for delay in refund order and any avoidable expenditure etc.
5	Irregular expenditure	Expenditure without sanction / beyond the delegated powers of the competent authority.
6	Irregular purchase	Irregularities in procurement of Stores, Machinery and equipment etc. / note following the provisions of the GFRs.
7	Non-adjustment of advances- Contingency advances- T.A. Advances- LTC Advances- Long term Advances-	Includes non adjustment of advances paid to Government Servants.
8	Blocking of Govt. money	Non utilisation of funds for the purpose it were intended to thus forfeiting the objective of the Scheme/Project.
9	Non-accountal of costly stores/ Govt. money	Assets / stores purchased but not entered in relevant records.
10	Any other items of special nature.	Items not covered under S.No.1 to 9 above.

Chapter – IV
SCHEME AUDIT

Strategy / approach adopted for conducting the Risk Based Audit:

Note: This section should include the brief description of the methodology / approach adopted for conducting the Risk Based Internal Audit.

Details of auditable units under the Ministry / Department and their periodicity:

Annual:

S.No	Name of Unit
1	
2	

Biennial

S.No	Name of Unit
1	
2	

Triennial

S.No	Name of Unit
1	
2	

LIST OF SCHEMES WITH STATUS OF AUDIT CONDUCTED DURING THE YEAR

S. No	NAME OF SCHEME	BUDGETARY PROVISIONS (Rupees in Crores)		Whether audit conducted during the year (Yes/No)
		Plan	Non Plan	

**LIST OF AUTONOMOUS BODIES / PSUs /GRANTEE INSTITUTIONS WITH STATUS OF AUDIT
CONDUCTED DURING THE YEAR**

S. No	Name of Autonomous Bodies /PSUs/Grantee Institution	BUDGETARY PROVISIONS (Rupees in Crores)		Whether audit conducted during the year (Yes/No)
		Plan	Non Plan	

LIST OF BANKS WITH STATUS OF AUDIT CONDUCTED DURING THE YEAR

S. No	Name of Banks / Autonomous Bodies	Whether audit conducted during the year (Yes/No)

CHAPTER – V

QUANTIFYING OF OUTCOME OF INTERNAL AUDIT IN TERMS OF ACTUAL RECOVERIES MADE DURING THE FINANCIAL YEAR UNDER REPORT.

(Rupees in lakhs)

S.NO	NAME OF MINISTRY	CASE OF NON RECOVERY OF GOVT. DUES		CASE OF OVERPAYMENT		CASES OF IDLE MACHINERY SURPLYS STORES		CASES OF LOSS/INFRUCTU TOUS EXPENDITURE		CASES OF NON ADJUSTMENT OF ADVANCES		CASES OF BLOCKING OF GOVVT.MONEY		Penal interest on cases of delayed remittances		Cases of Excess / double reimbursement		Total	
		Amt. Objected	Amt. Actually recovered	Amt. Objected	Amt. Actually recovered	Amt. Objected	Amt. Actually recovered	Amt. Objected	Amt. Actually recovered	Amt. Objected	Amt. Actually recovered	Amt. Objected	Amt. Actually recovered	Amt. Objected	Amt. Actually recovered	Amt. Objected	Amt. Actually recovered	Amt. Objected	Amt. Actually recovered

Note: This section should include the actual recoveries made during the financial year under report irrespective of the year of observation in the prescribed proforma.

Chapter – VI

CAPACITY BUILDING / TRAININGS UNDERTAKEN DURING THE YEAR UNDER REPORT

Note: Brief on efforts made for capacity building / trainings undertaken by officers / staff in various aspects of Internal Audit including risk based internal audit approach.

List of courses with officers trained in Internal Audit during the year:

S. No.	Name of course / training	Name of Institution	Number of officers trained during the year under Report		
			Group A	Group B	Group C