

Q-12001/1/2021/IAD-CGA/ (E-20512)/ 02-03  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE, DEPARTMENT OF EXPENDITURE  
CONTROLLER GENERAL OF ACCOUNTS  
MAHALEKHA NIYANTRAK BHAWAN  
E-BLOCK, GPO COMPLEX, INA, NEW DELHI – 110023  
PHONE No.011 – 24665388/24665389  
Email: iad-cga@nic.in

Dated: 30.04.2026

OFFICE MEMORANDUM

**Subject: Annual Review on the Performance of Internal Audit Wings for the year 2025-2026 -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 on the Performance of Internal Audit Wings' depicts the activities and achievements of the Internal Audit Wings during the period of report and helps to assess the performance of internal audit.

The format for the Annual Review on the Performance of Internal Audit for the year 2025-26, has been revised to enhance comprehensiveness and streamline reporting. The new prescribed format is enclosed herewith.

The major irregularities observed may be mentioned in brief, clearly mentioning the facts of para under the **six 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/Chief Controller (Pension)/CAs (I/c) are requested to initiate necessary action for the submission of their Annual Review on the Performance of Internal Audit Wing for the year 2025-26 to this office **by 31<sup>st</sup> May 2026 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 to this office on email address: **iad-cga@nic.in[iad(dash)cga@nic.in]positively**.

Further, the requisite data/details may also be furnished through the following Google Sheet link: [https://docs.google.com/spreadsheets/d/1vY24 Br\\_1WHw0xCuIzNaMrx6CEV3II7Ki\\_OOn4RJE0c/edit?usp=sharing](https://docs.google.com/spreadsheets/d/1vY24 Br_1WHw0xCuIzNaMrx6CEV3II7Ki_OOn4RJE0c/edit?usp=sharing)

This issues with the approval of the Competent Authority.

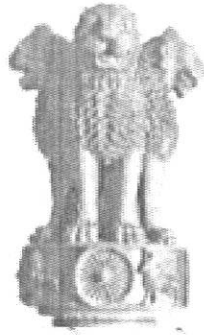


(Praveen Nandwana)

Jt. Controller General of Accounts (IAD)

To,

1. All Pr.CCAs/CCAs/CFC/Chief Controller (Pension)/CAs (I/C) of all Civil Ministries/ Departments
2. Copy to Sr.AO (GIFMIS) for uploading on CGA's website under IAD.



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GOVERNMENT OF INDIA  
MINISTRY OF .....

PRINCIPAL ACCOUNTS OFFICE  
INTERNAL AUDIT WING

ANNUAL REVIEW  
ON THE PERFORMANCE OF  
INTERNAL AUDIT 2025-26

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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. A good rule is to try to keep it to one page and be sure it is free of spelling and grammatical errors.

## CHAPTER-1

### 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 year 2025-26

**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 2025-26

**Note:** This portion of the Annual Review should include the analysed 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 1<sup>st</sup> April of the Financial Year under report:

Category	Sanctioned strength	In position
Group 'A'		
Group 'B' (Gaz. & Non- Gaz.)		
Group 'C' (Acctt., LDC, MTS)		
Consultant engaged, if any from the empanelled list		

**Total Number of units and their periodicity**

Periodicity	No. of units
Annual	
Biennial	
Triennial	
<b>Total</b>	

**Target and achievements in terms of Units audited including e Audit (Other than Banks/Schemes/Grantee institutions).**

Total No. of Units	Units due for audit during the year	Target for audit of units during the year	Units actually audited during the year	Arrear, if any	Reasons for arrears

**Target and achievements in terms of Schemes audited**

Total No. of Units	Units due for audit during the year	Target for audit of units during the year	Units actually audited during the year	Arrear, if any	Reasons for arrears

**Target and achievements in terms of Banks/Grantee institutions audited**

Total No. of Units	Units due for audit during the year	Target for audit of units during the year	Units actually audited during the year	Arrear, if any	Reasons for arrears

**Status of outstanding Audit Paras**

Nature of Para	Number of paras outstanding at the beginning of the year	No. of paras settled during the year	No. 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)

Sl. No.	Nature of irregularities	No. of paras	Total amount involved (Rs. in Lakh)
1.	<b>Cases of Overpayment and Non- recovery:</b> a. Dues from Central Govt./State Govt./Departments/Autonomous Bodies etc. b. Non-recovery of Loans and Excess payment from Private Parties.		
	<b>TOTAL OF 1(a) + 1(b)</b>		
2.	<b>Loss due to Infructuous or Irregular Expenditure on Purchases.</b>		
3.	<b>Establishment related Observations having Financial Implications: -</b> (a) Cases of Non-Adjustment/Settlement of Advances: - Contingent Advance, Travelling Advance, Leave Travel Concession Advances, Long Term Advances. b. Establishment related non -recovery or over-payments of Pay and Allowances, Pension and personal claims of employees.		
	<b>Total of 3(a) + 3(b)</b>		
4.	<b>Blockade of Govt. Money</b> a. Blocked Budget in GeM remaining unutilized. b. Non receipt of UCs of Grand in Aid. c. LOA unutilized by the agent ministry, at the end of the year		
	<b>Total of 4(a) + 4(b) + 4(c)</b>		
5.	<b>Non-accountal of Government Assets/Inventory</b>		
6.	<b>Any other items of Special Nature</b>		
	<b>TOTAL (1-6)</b>		

**CHAPTER-III**  
**LIST OF IMPORTANT IRREGULARITIES**  
*(Including Schemes/Banks/Grantee Institutions)*  
**(AMOUNT NOT LESS THAN RUPEES ONE LAKH)**  
*(Detailed guidelines available in Annexure-1 attached)*

**1. Cases of Non-recovery of Government Dues from Central Govt. Departments / State Govt./Govt. bodies/Private Parties.**

**a. Dues from Central Govt./State Govt./Departments/Autonomous Bodies etc.**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. in Lakh)	Details of para in brief (in less than 30 words)
1				
2				
3				

**b. Non-recovery of Loans and Excess payment from Private Parties.**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. in Lakh)	Details of para in brief (in less than 30 words)
1				
2				
3				

**2. Cases of loss due to Infructuous or Irregular Expenditure on Purchases.**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. in Lakh)	Details of para in brief (in less than 30 words)
1				
2				
3				

**3. Establishment related Observations having Financial Implications: -**

**a. Cases of Non-Adjustment/Settlement of Advances: -Contingent Advance, Travelling Advance, Leave Travel Concession Advances, Long Term Advances.**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. in Lakh)	Details of para in brief (in less than 30 words)
1				

2				
3				

**b. Establishment related non -recovery or over-payments of Pay and Allowances, Pension and Personal claims of employees.**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. Lakh)	in	Details of para in brief (in less than 30 words)
1					
2					
3					

**4. Cases of Blockade of Government Money**

**a. Cases of Blocked budget in GeM remaining unutilized:**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. Lakh)	(Rs. in	Details of para in brief (in less than 30 words)
1					
2					
3					

**b. Cases of Non-receipt of UCs of Grand in Aid:**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. Lakh)	(Rs. in	Details of para in brief (in less than 30 words)
1					
2					
3					

**c. Cases of LOA unutilized by the agent ministry, at the end of the year:**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. Lakh)	(Rs. in	Details of para in brief (in less than 30 words)
1					
2					
3					

**5. Cases of Non-accountal of Government Assets/Inventory**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. in Lakh)	Details of para in brief (in less than 30 words)
1				
2				
3				

**6. Any other item of Special Nature**

Sl. No.	Name of office	Para No. of Report	Amount (Rs. in Lakh)	Details of para in brief (in less than 30 words)
1				
2				
3				

### GUIDING NOTE FOR CHAPTER-III

Sl. No.	Particulars	Specific Guidelines
1.	<b>Cases of Non-recovery of Government Dues from Central Govt. Departments / State Govt./Govt. bodies/Private Parties.</b>	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, non-recoveries of penal interest on delayed remittances etc.
2.	<b>Loss due to Infructuous or Irregular Expenditure on Purchases.</b>	This includes review of installation and operating efficiency of expensive equipment and machinery with physical verification of stores, tool and plant. This also 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. Expenditure without sanction/beyond the delegated powers of the competent authority. Irregularities in procurement of stores, machinery and equipment etc./ not following the provisions of the GFRs.
3.	<b>Establishment related Observatin having Financial Implications</b>	Includes non-adjustment of advances paid to government servants such as Contingency Advance, TA. Advances, LTC Advances, and Long Term Advances. Also Establishment related non -recovery or overpayment of pay and allowances, Pension, excess payment of duty drawback/terminal excise duty and excess payment of taxes etc.
4.	<b>Blockade of Govt. Money</b>  i. Blocked Budget in GeM remaining unutilized.  ii. Non receipt of UCs of Grand in Aid.  iii. LOA unutilized by the agent ministry, at the end of the year	Non-utilization of funds for the purpose it were intended to thus forfeiting the objective of the scheme/project. This includes blocked budget in GeM, Non receipt of UCs of Grand in Aid, LOA remaining unutilized at the end of the year.
5.	<b>Non-accountal of Government Assets/Inventory.</b>	Assets/stores purchased but not entered in relevant records.
6.	<b>Any other items of Special Nature</b>	Items not covered under S.No.1 to 6 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**

Sl. No.	Name of unit
1.	
2.	

**Biennial**

Sl. No.	Name of unit
1.	
2.	

**Triennial**

Sl. No.	Name of unit
1.	
2.	

**LIST OF SCHEMES WITH STATUS OF AUDIT CONDUCTED DURING THE YEAR**

Sl. No.	Name of Scheme	Budgetary Provisions (Rupees in Crores)	Whether audit conducted during the year (Yes/No)

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

<b>Sl. No.</b>	<b>Name of Autonomous Bodies/ PSUs/ Grantee Institution</b>	<b>Budgetary Provisions (Rupees in Crores)</b>	<b>Whether audit conducted during the year (Yes/No)</b>

**LIST OF BANKS WITH STATUS OF AUDIT CONDUCTED DURING THE YEAR**

<b>Sl. No.</b>	<b>Name of Bank</b>	<b>Whether audit conducted during the year (Yes/No)</b>

**CHAPTER-V**

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

(Rupees in Lakhs)

	CASES OF NON RECOVERY AND OVERPAYMENT 1(A) + 1(B)		ESTABLISHMENT RELATED OBSERVATION HAVING FINANCIAL IMPLICATIONS 3(A) + 3(B)		TOTAL	
	Amt. objected	Amt. actually recovered	Amt. objected	Amt. actually recovered	Amt. objected	Amt. actually recovered
<b>Name of the Ministry/ Department</b>						

**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 coursed 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'