

FAQ on Internal Audit

1) What is the audit of sanctions to expenditure?

Ans: The audit of sanctions to expenditure is to see that each item of expenditure is covered by the sanction of the authority competent to sanction it. Audit has not only to see that the expenditure is covered by a sanction, either general or special, but it has also to satisfy that the authority sanctioning it is competent to do so by virtue of powers vested in it

2) What is the audit against propriety?

Ans: Main objective of the audit against propriety is to bring to light not only cases of clear irregularity but also every matter which, appears to involve improper expenditure or waste of public money.

3) What are provisional payments?

Ans: Payments made in exceptional circumstances in anticipation of the sanction of the appropriate authority or of additional allotments of funds to cover the expenditure is known as provisional payments. Such powers usually rest with the Controller of Defence Accounts.

4) What are the stages in conducting Appropriation Audit?

Ans: Appropriation Audit is conducted in two stages:-
Sanction Audit i.e. audit of orders of allotment of funds and re-appropriations.
Expenditure Audit i.e. audit of expenditure against allotments.

6) What is the Scale Audit?

Ans: The Scale Audit is conducted to see that effective strength of Army Officers in a unit/formation as shown in the nominal roll is within the number authorized in the relative peace/war/interim establishment and that the number of officers paid in different ranks in each unit agrees with the number shown in the nominal roll.

7) What is a MFAI?

Ans: A The Controllers will prepare a quarterly report on the Major Financial & Accounting Irregularities dealing with the matters relating to units and formations for the Command as a whole for the quarters ending June, September, December and March by the 20th of the month following a quarter. It includes cases involving irregular maintenance of accounts or cases in which value of financial irregularities or loss involved is more than Rs 1lakh.

8)What is A.R.M.E.S.?

Ans: The Annual Review of M.E.S. Expenditure is prepared by the Secretary (Defence/Finance) Financial Adviser Ministry of Defence with reference to various statements, required to be submitted to them by PCDA/ CDAs concerned.

9)What is the Internal Audit Report?

Ans: The Internal Audit Report is to be drafted & rendered to the CGDA half yearly covering the period up to 31st March & 30th September of every year under following broad categories:-

- Regulatory Audit
- Loss of Revenue
- Generation of Revenue
- Optimal Resource Management
- Economy suggestion

10) What are the categories of losses of cash, overpayment etc?

Ans: Losses of cash, overpayments, etc are shown under the following two categories:-

- Cash losses due to theft, fraud or neglect.
- Cash losses due to other causes.