

Brainstorming Session

Group-3 Internal Audit

Assessment of the current situation-

- Internal Audit activity is restricted to routine audit
- Increased demand and awareness in Ministries about need and importance of Internal Audit (increased demand for Audit of grantee institutions/schemes)
- Constraints in terms of availability of trained and expert human resource
- Compliance to Audit observation is very poor which has demoralizing effect on Internal Audit personnel.
- Statutory Audit commenting on Internal Control Practices
- Need for more comprehensive mandate for Internal Audit
- Various stakeholders looking at increasing Internal Controls through Internal Audit
- Internal Audit expected to provide valuable input for Policy Making

Constraints-

- More focus on Payment and Accounting Function than on Internal Audit
- Lack of human resources
- Current pool of human resource does not have capability and skills to conduct audit as per changing requirements
- Important role of Information Technology in making Internal Audit efficient and effective is not totally addressed
- Budget constraints (Ministry specific)

The Way Forward-

- Renewed pitch for mandate of Internal Audit.
- Preparing generic Internal Audit Manual for all ministries to give an overview of newer paradigms in Internal Audit and a guidance on conduct and reporting of Internal Audit
- Building multi-disciplinary teams and conducting quality audits.
- Conducting Quality Audits across ministries on Mission Mode to increase visibility of Internal Audit process and prove its importance in enhancing Internal Controls
- Training Group-A and Group-B officials in newer skills for conducting Internal Audit
- Use of trained personnel for Internal Audit activity i.e. establishing a link between training and utilization of skills acquired therein
- Obtaining professional certifications in Internal Audit profession.
- Taking over Budget Work by CCAs in all Ministries
- CCAs mentoring CAs for conducting effective Scheme Audit.