

Concepts of Government Audit

Government audit is applicable to Government departments and [departmental undertakings](#). Government of India maintains a separate department known as Accounts and Audit Department. Comptroller and Auditor General of India heads this department.

Government Audit – Objectives, Govt vs Commercial

In India the President appoints the Comptroller and Auditor General of India under Article 149 of the Constitution, which gives the powers and rights and fixes his responsibility for the audit of Government departments and institutions.

Government audit is divided into several branches like Defense, Railways, Posts and Telegraphs audit. It works only for government offices and departments. This department cannot undertake audit of non-government concerns. Its working is strictly according to government rules and regulations.

Objectives of Government Audit

The objectives of government audit are as follows:

1. To make sure that the expenditure is incurred out of the fund, which the competent authority has sanctioned.
2. To verify that the expenditure of the government department is sanctioned as per the rules and regulations of the department concerned.
3. To see that the expenditure already sanctioned has been incurred by an officer who is authorized to do so.
4. To ensure that the payments have been made to the right persons and they are duly entered in the books on the basis of receipts received from them.
5. To see that the payments have been properly classified into capital and revenue.
6. To check the existence of stock and stores and their proper valuation.
7. To ensure that expenditures have been incurred in the interest of public.
8. To ensure that stocktaking is done periodically and stock registers are maintained up-to-date.

9. To ensure that whether money due from others has been regularly recovered while verifying the receipts.

Difference between Government Audit and Commercial Audit

The points of difference between government audit and commercial audit are given below.

Bases	Government Audit	Commercial Audit
1. In charge for the Conduct of Audit	Audit and Accounts Department conducts the audit of government department.	External auditor appointed by the employer shall conduct the audit here.
2. Type of Audit	Government audit always a type of continuous audit because of the involvement of huge expenditure and large number of transactions.	In commercial concerns, mostly periodical audit is conducted.
3. Nature of Appointment of Auditors	Auditors are government employees.	They are not the employees of the concerns whose accounts they audit.
4. Sanction of Audit Department	In most of the government concerns before payment for an expenditure is released the sanction of audit department is a must.	It is not necessary here.
5. Need for Preliminary Examination of Bills	Treasury officer always makes a preliminary examination of bills before making a payment on government account.	Cashier has nothing to do with audit or preliminary examination while making a payment of expenditure.
6. Rules & Regulations	Government audit is subjected to the rules and regulations of the concerned department.	It is not so in the case of commercial audits.