

CONTENTS

Para No.	Description	Page No.
	Preface	iii
	Executive Summary	v
Chapter-I: Introduction		
1.1	Defence Pension	1
1.2	Stakeholders in Management of Defence Pension	1
1.3	Scope of Audit	2
1.4	Audit Objectives	2
1.5	Audit Criteria	3
1.6	Audit Methodology	3
1.7	Acknowledgement	5
Chapter-II: Financial Management		
2.1	Introduction	6
2.2	Budget Allotment and Expenditure on Defence Pension	6
2.3	Incomplete accounting of expenditure	8
2.4	Conclusions and Recommendations	10
Chapter-III: Authorisation of Pension		
3.1	Introduction	11
3.2	Delays in processing and authorization of pension	11
3.3	Delay in payment of DCRG due to delay in issue of PPOs	13
3.4	Irregularities in PPOs	13
3.5	Need to review the workflow of the pension authorisation process	14
3.6	Conclusions and Recommendations	15
Chapter-IV: Disbursement of Pension		
4.1	Introduction	17
4.2	Underpayment to defence pensioners	17
4.3	Overpayment to defence pensioners	18
4.4	Double payments	20
4.5	Other irregularities in pension disbursement	20
4.6	Delay in recovery of overpayments	21
4.7	Deficiencies in the pensioners' data	21
4.8	Disbursement of pension by DPDOs	23
4.9	Non-deduction of Income Tax from pensioners	24
4.10	Verification of Life Certificates	24
4.11	Other comments	25
4.12	Conclusions and Recommendations	25

Chapter-V: Internal Controls		
5.1	Control Weaknesses in the Record Offices	27
5.2	Control deficiencies in PCDA (P)	27
5.3	Control Weaknesses in RBI	31
5.4	Conclusions and Recommendations	33
ANNEXURES		
1	Abbreviations and Glossary	35
2	Stakeholders and selection of units	38
3	Extract of CAG's Report No. 50 of 2015	42
4	Timeline for processing of PPOs	43
5	Underpayments of Pension	45
6	Data analysis results of incorrect payments	47
7	Overpayment by PDAs not recovered	48
8	Mismatch in e-scrolls and profiles of Defence Pensioners	49
9	Irregularities in DMA	51