**SYLLABUS FOR SEMESTER - I**

**PAPER-1**

### FINANCIAL RULES AND SERVICE REGULATIONS

**Aim:**
To provide knowledge and understanding of the Rules and Service Regulations governing financial management and service under Government of India as well as the authority governing them and the delegation of the authority.

To develop ability to interpret and apply the rules and regulations while administrating them and to test the propriety and legality of their application while carrying out audit.

**Contents:**

1. **General Financial Rules, 2005**
   General system of financial management (Part-1 GFR, Chapter-2) Budget formulation and implementation (Part-1 GFR, Chapter-3) Control of Expenditure against Budget (Part-1 GFR, Chapter-3) Personal Deposit Account (Part-1 GFR, Chapter-4) Works (Part-I GFR, Chapter-5) Procurement of Goods & Services (Part-1 GFR, Chapter-6) Inventory Management (Part-1 GFR, Chapter-7) Contract Management (Part-1 GFR, Chapter-8) Grants in Aid and Loans (Part-1 GFR, Chapter-9) Budgeting and Accounting of externally aided projects (Part-1 GFR, Chapter-10) Government Guarantees (Part-1 GFR, Chapter-11) Local Bodies (Part-1 GFR, Chapter-12) Destruction of records connected with accounts (Part-1 GFR, Chapter-12) Contingent and Miscellaneous expenditure (Part-1 GFR, Chapter-12)

   Delegation in departments of Government of India regarding powers to create permanent posts, powers to incur contingent expenditure and miscellaneous expenditure and powers to write off loans, duties of Internal Financial Advisors, Scheme of delegation in IA&AD

3. **Fundamental and Supplementary Rules**

4. **Central Civil Service (Leave) Rules, 1972**
   Different kinds of leave including special types of leave, study leave, special casual leave etc., General conditions governing eligibility and sanction of leave return from leave. Scheme of delegation of powers for sanction of leave in IA&AD.

5. **General Provident Fund (Central Services) Rules, 1960**
   Provisions relating to subscription, advances, withdrawal, interest, final payment and maintenance of nominations. Deposit Linked Insurance Scheme.

6. **Central Civil Services (Pension) Rules, 1972**
   Various kinds of pensions, Family Pension, Death cum Retirement Gratuity Commutation and Restoration of Pension, Procedure for sanction, authorization and payment of pension.

7. **Central Civil Services (Conduct) Rules, 1964**
   Comprehensive study of its application, definition of terms. General conduct and behavior including joining of politics, associations, demonstration, strikes, acceptance of gifts, dowry, private employment, acquiring movable and immovable property.

8. **Central Civil Services (Classification, Control and Appeal) Rules, 1965**
   Comprehensive study of classification of services, Appointing Authority Disciplinary Authority, Suspension, Procedures to impose major and minor penalties, Appeals, Revision and Review

**Examination:**
- Duration: 3 Hours
- Maximum Marks: 100

The question paper will comprise of questions devoting 70% Marks for testing skills and 30% for knowledge. There will be a compulsory question each on Pension and CCS (CCA) Rules.

All the prescribed books/ specified rules would be allowed.

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**PAPER-II**

### COMMERCIAL ACCOUNTING

**Aim:**
1. To provide conceptual understanding of fundamentals of accounting, Book Keeping mechanism and preparation of financial statements.
2. To impart skills in accounting of various kinds of business transactions.

**Contents:**

1. Accounting principles, Concepts and Conventions.
4. Rectification of Errors.
6. Inventory Valuation
7. Joint venture accounts
Examination:
Duration: 3 Hours
Maximum Marks: 100
Books are not allowed.

Exposure topic:
These are not tested in the DE, but can be tested in internal assessment.

Readings:

Additional Readings:
1. Study material published by the Institute of Chartered Accountants of India (ICAI) for Professional Education PE I (Fundamentals of Accounting) and PE II (Accounting).

PAPER-III
GOVERNMENT ACCOUNTS

Aim:
To impart knowledge of:
Principles and Structure of Government Accounts,
Process of Accounting,
Preparation of Finance and Appropriation Accounts.

To develop skills in:
Preparation and management of accounts, Quality Assurance, Analysis and interpretation of accounts.

Contents:
Part A: Design and organisation of Government Accounting System - 30 Marks
Principles of government accounting
Basis of Government Accounting – Cash Accounting, Accrual Accounting, Comparison between Cash based system of accounting and accrual system of accounts, Benefits of switch over. Global trends, Users of government account

Constitutional and Regulatory Framework
(Source: Government Accounting Rules (1990), C&AG’s DPC Act.)

Accounting Arrangements
Accounting arrangements and authorities in State and Central Governments, Departmentalisation and the system of accounting in the Central Government departments, Pre-check payment procedure in the Central Civil Accounts Offices, Procedure to be followed by Drawing and Disbursing Officers authorised to draw cheques, Arrangements for Local Self Government accounts, Approved formats of accounts for Panchayati Raj Institutions and Local Bodies, Inter state & centre to state transactions.
(Source: Chapter -2 Government Accounting Rules (1990) and Chapters 1, 2 & 3 of Civil Accounts Manual)

Banking Arrangements
Reserve Bank of India (RBI) as Banker to Government, Agency Banks, Cash Management by RBI - Investment of Govt. Cash, Ways and Means Advance and Overdraft, Inter-government transactions, Integration of cash balance in accounts.
(Source: Chapter -2 Government Accounting Rules (1990)

Forms of accounts including Chart of Account
Principles of Recognition, Measurement Classification and Disclosure, Functional Classification, Service Heads and Debt Deposits, Heads, Rules for Classification, Recovery of charges and reimbursement of charges, Difference between service and commercial departments, Classification of recoveries, Classification of losses in Government Accounts, Classification of Pay and Allowances; Traveling Allowances, Civil Advance: Pay and Traveling Allowance on transfer. Suspense and remittance Heads & their significance.

Receipts, payments and deposits in Government accounts
Receipt and credit into Government Accounts, Withdrawal from Government Account Section-I & III, Maintenance of Deposits.
(Source: Central Government Account (Receipt and Payment, Rules 1983)

Legislative Control through Budget and Accounts
Link between budget and accounts, Link between Plan & Budget, Preparation, presentation and passing of Budget, Execution of Budget, Financial Statements of government, Finance Accounts and Appropriation Accounts, Fiscal, Financial and Taxation Management and Control, Financial Responsibility and Budget Management Act. (FRBM) (Central Govt.)
(Source: Government of India Budget. Current Finance and Appropriation Accounts of Union Government, Budget of selected State Governments)

Part B: Maintenance of initial accounts by 10 Marks
Drawing & Disbursing Officers (DDO)
Initial records and accounts relating to receipts and disbursements by DDOs, Preparation of Cash Book, Journal and Ledger, Reconciliation of accounts with Treasury/PAO and Accounts Office (PAO) by DDOs.
(Source: Central Government Account (Receipt and Payment Rules, 1983)

(Source: Accounting Rules of Treasuries 1992 and State Treasury Codes)

Part C: Compilation of Monthly Civil Accounts by Accountant General (Including practical session on VLC modules) 20 Marks

(Source: Account Code for Accountants General)

Part D: Compilation of Annual Accounts 10 Marks

Appropriation Accounts, Finance Accounts and Combined Finance and Revenue Accounts, Contents of annual accounts, Preparation and submission of annual accounts.


Part E: Quality Assurance Procedures 10 Marks

Checks against errors and misstatements, Reconciliation between Accountant General and Controlling Officers, Maintenance and review of Broadsheets, Analysis and clearance of suspense and remittance heads, Internal Test Audit (ITA)

(Source: Manual of Standing Orders (Accounts & Entitlement) (MSO -A&E) Vol-I)

Part F: System of Accounting in Public Works Division 20 Marks

System of Accounting in Public Works Division, Special features of Public Works Accounts, General outline of System of Accounts, Relations with Accounts officers, Maintenance of Cash and Stores, Works Accounts, Accounts of Divisional officers.

(Source: Chapter -3, 4, 6, 7, 10 & 22 of Central Public Works Account (CPWA) Code)

Topics in Phase-I

Organisation and Structure of Accounts and Entitlement (A&E) offices, Role and Functions of different Groups, Performance Matrix - Objective and criteria, Organisation of data in Voucher Level Computerisation System (VLC), Modules,

Database Design, Quality Checks, Generation of Reports - VLC and Audit Linkage & Ganapati Committee Report, Management of Accounting Functions, Ownership issues - Recent initiatives by Comptroller and Auditor General of India in the offices of State Accountant General and Government - Executive interface, Accounting reports: client orientation - fiscal trends, budgetary reports detecting unusual signals, Timeliness and completeness of accounting information.

Future Challenges

Processing/ Compilation of Accounts in n-tier architecture and online integration with State Govt. Bodies - Treasury, Finance Department, Chief Controlling Officers (CCOs), DDOs, etc. and RBI, Accrual Accounting in Govt. Accounts, Future challenges in A&E Office, Role of Government Accounting Standard Board (GASAB), International Public Sector Accounting Standard (IPSAS).

Examination:

Duration: 3 hours;
Maximum Marks: 100;
Books allowed.
1. Government Accounting Rules (1990),
2. List of Major & Minor Heads.
4. Central Government Account (Receipt and Payment, Rules 1983)
5. Government of India Budget.

Exposure Topics to be Covered During Phase I & II

EXPOSURE TO BE COVERED DURING PHASE I & II

Topics in Phase-I

Organisation and Structure of Accounts and Entitlement (A&E) offices, Role and Functions of different Groups, Performance Matrix - Objective and criteria, Organisation of data in Voucher Level Computerisation System (VLC), Modules,
Contents:

Part A: Theory and Practice: 35 Marks
1. Basic Concepts of Auditing: Purpose of audit, Audit based on assertions and criteria, Internal Audit & External Audit, Pre- and Post- audit, Central and Field Audit, Self-regulating aspect of audit, Stakeholders of audit.
3. Process of audit: Audit Planning, Risk based audit approach, Audit Execution, Compliance and Substantive testing, Audit evidence, Working papers, Supervision, Audit conclusion and Reporting, Monitoring and Follow up.
4. Quality Assurance in audit
5. Evaluation of Internal control systems: Nature of Internal Controls, Types of Internal controls, Internal audit, COSO model of internal control, Techniques for evaluation of internal controls: Questionnaire, flow chart, interview and Control Self Assessment (CSA) methods.

Part B: Basic Quantitative Techniques 25 Marks

Part C: Mandate, Standards & Types of Audit 25 Marks

Part D: Audit Reporting & Follow Up 15 Marks
2. Legislative Action on Audit Reports: Role of Parliamentary and Legislative Committee Public Accounts Committee (PAC) & Committee on Public Undertakings (COPU).
Role of Audit vis a vis the Committees: Preparation of Memorandum of Important points, Role of audit in the course of Committee proceedings, Vetting of Action Taken Notes; Verification of draft report of the committee before finalization.

Exposure Topics

Aim: To broaden the exposure of the probationers in areas of government functioning and audit the following topics will also be taught at the Academy but will not be examined in the Departmental Examination.
1. Historical evolution leading to the emergence of Supreme Audit Institution
2. The principles and philosophy of Government Audit: INTOSAI Code of Ethics, Concepts of Governance & Accountability, Role of audit in legislative control
3. Supreme Audit Institutions (SAI): Study of systems of Audit in different SAIs.
4. International Declarations on Audit: Lima declaration on International Organisation of Supreme Audit Institutions (INTOSAI), Bali declaration of Asian Organisation of Supreme Audit Institution (ASOSAI), Mexico declaration of INTOSAI
5. Legal liability of auditors: Code of Ethics of Institute of Chartered Accountants of India (ICAI), Companies Act
6. Auditing Standards of: INTOSAI, ICAI, International Federation of Accountants (IFAC)
7. Auditor's role in corporate governance and evolution of Audit Committee: Current developments and legislation in India and abroad, Indian Companies Act and Sarbanes Oxley Act
8. Organizational Structure of the Indian Audit and Accounts Department: Headquarters office of the CAG of India & various field offices, Distribution of work relating to various types of accounts and audit function, Staff organization pattern, Audit Report of the CAG, Audit of International Bodies
9. Quantitative Techniques: Linear Programming, Transportation and Assignment Model, Queuing Model, Sensitivity Analysis, Simulation-Monte Carlo method
* Note: Only theoretical aspects will be covered. (Practical numerical to be covered under IDEA and Excel+ in the papers of Information Technology in DE-I & DE-II respectively)

Examination:
Duration: 3 hours
Maximum Marks: 100
No books will be permitted.
Probationers shall not be tested on exposure topics.

Readings:
2. Constitution of India
3. CAG's (DPC) Act 1971
5. INTOSAI Code of Ethics and Auditing Standards
7. CAG's Performance Audit Guidelines
8. Kamal Gupta: Contemporary Auditing
15. SP Gupta: Statistical Methods
16. Frederick S Hillier & Geral Lieberman: Introduction to Operations Research
**PAPER-V**

**INFORMATION TECHNOLOGY BASIC SKILLS AND SECURITY ISSUES**

**Aim:**
1. To provide understanding of IT security practices.
2. To provide competence in basic computer modules.

**Contents:**

**Part A: Protection & Security of IT Assets**
1. Using Windows, UNIX, LINUX: Concept of operating systems; Concept of file systems and Directories, GUI based software, Introduction to UNIX
2. Understanding networks- ISI Model, TCP/IP Model
3. Three Tier Client Server Architecture.
5. IT security (Information Security Management System, introduction to ISO/IEC 27001): Concepts of security and Security Policy, Asset Management Security, Human Resources Management Security, Physical and Environmental Security; (e.g. fire suppression, cooling systems, biometrics) Access Control Security- Logical Security Practices, Communications and Operations Management Security (Network and Internet security, Concept of PKI, Attack/fraud methods and techniques (e.g. hacking, spoofing, viruses, worms, Trojan horses, denial of service, spamming), Security incident Management- Security monitoring, detection and escalation processes, and techniques (e.g. audit trails, intrusion detection, computer emergency response team), Compliance
6. Risk assessment methodologies
7. Disaster recovery and business continuity: Planning and processes, Backup and storage methods and practices, Testing approaches and methods, Human resource issues (e.g. evacuation planning, response teams)
8. RDBMS basics: Codds Rule, Primary Key-foreign Key relationship, Data dependency, E-R diagrams, schema, normalization, Referential Integrity, DDL, DML, Constraints & triggers

**Part B: Basic Computer Skills**
(*)Note: Only Practical aspects will be covered. Theoretical aspects will be taught under Auditing- Principles & Practices paper in DE-I)
3. Basics in MS Access 2010: Creation and modification of tables including simple validations and lookup wizards, Enter data, Find, Sort and Delete records in datasheet view, Import data, Establish relationship between tables, Queries covering select query, append query, update query, delete query, maketable query, duplicate query and unmatched query, Using parameters, Summary options, Multiple conditions and calculated fields, Forms using labels, Check boxes, Option buttons, Toggle buttons, Tab controls, Text boxes, Images and Command buttons, Reports covering simple reports, grouping, sorting, parameters, summary options and labels.
   (a) Creating and Managing Tables: Database Objects, Naming Conventions, The CREATE TABLE Statement, Referencing another User’s Tables, The DEFAULT Option, Tables in the Oracle data base, Data types, The ALTER TABLE Statement, Dropping a Table, Changing the Name of an Object, Truncating a Table
   (b) Manipulating Data:
      (i) Data Manipulation Language
      (ii) The INSERT Statement: Inserting New Rows, Inserting Rows with Null Values, Inserting Special Values, Inserting Specific Date Values, Inserting Values by Using Substitution Variables, Creating a Script with Customized Prompts, Copying Rows from another Table, (iii) The UPDATE Statement: Updating Rows in a Table, Updating with Multiple-Column Subquery, Updating Rows Based on Another Table, Updating Rows: Integrity Constraints Error
      (iv) The DELETE Statement: Deleting Rows from a Table, Deleting Rows Based on Another Table, Deleting Rows: Integrity Constraint Error
   (c) Creating Views:

**Examination Pattern:**
1. Virtual Private Network (VPN)
2. Basics of Word for Windows (Word-2010), covering: Character, paragraph and page formatting, Find and replace Bullets, Columns, Page numbers, Header and Footer, Tables, Mail merge and Spell check
3. The practical examination will be a 3 hour paper. It will cover Part B i.e, Basic Computer Skills.

**PAPER-VI**

**PUBLIC FINANCE & INDIAN FINANCIAL SYSTEM**

**Aim:**
1. To provide an exposure to general concepts of public finance & fiscal policy including Public Expenditure, Public Revenues, Public Debt and Financial Administration.
2. To relate these concepts to the Indian System.
3. To provide a complete understanding of the Constitutional, Legal and Administrative aspect of the Financial System as well as its linkages in our federal policy and the accountability arrangements.
### Contents:

**Part A: Fiscal Policy and Public Finance**

50 Marks

2. Central Finances, State Finances and Local Finances.

**Part B: Indian Financial System**

50 Marks

1. General exposure to the evolution of Federal Finance.
4. Financial control by the legislature: Control over appropriation, General principles relating to receipts, custody and drawal of public money, Consolidated Fund, Contingency Fund and Public Account, Legislative procedure relating to Budget and budgetary processes.
7. Role of Non-Government institutions in national development: Service and resource sharing contracts (i.e. Production Sharing Contracts (PSC), Public Private Partnership Projects,
8. Role of Regulatory bodies in national economy.
9. Indicators of financial health of State Governments.

### Examination:

Duration: 3 hours
Maximum Marks: 100
Books are not allowed.

Question paper would consist of critical and analytical type of questions which are intended to test the probationer's ability of comprehension of the subject rather than questions which seek to reproduce the factual details. Question will be asked on concepts and philosophy behind them rather than on specific factual details.

### Readings Materials:

1. The Constitution of India Part VII and XIV
3. The Control of Public Expenditure (Parts I & II) - Basil Chubb.
4. Ashok Chandra: Indian Administration (Section of Financial Administration).
5. Ashok Chandra: Federalism in India (Chapters IV to VII).
7. R.K. Sheshadri: Indian Financial System
8. H.L. Bhatia: Public Finance
11. Latest Budget papers.
12. Latest five year plan Documents including Approach Paper.
13. Dutt & Sundaram: Indian Economy
14. Mishra & Puri: Indian Economy
### HINDI I (LOWER LEVEL)

**Aim:**
- To learn all the basic structure of the language.
- To be able to read, write and speak, in Hindi of simple sentences of daily use.
- To be acquainted with the common audit and accounting terminology.
- To learn the simple techniques of translation from English to Hindi and vice versa.
- To be able to understand brief routine official notes and drafts.

**Interpretation of the objectives:**
The probationers who have no/little knowledge in Hindi should be able to acquire and develop four basic skills- namely listening (understanding), speaking, reading and writing adequately. They should also learn common administrative terms, phrases etc. in Hindi.

**Examination Scheme:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Translation of simple sentences- Hindi to English and vice versa:</td>
<td>10 marks</td>
</tr>
<tr>
<td>Basic structure of the language (filling in the blanks, multiple choice of words, correction of sentences etc.):</td>
<td>15 marks</td>
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<tr>
<td>Set and free composition of simple nature comprehension:</td>
<td>15 marks</td>
</tr>
<tr>
<td>Audit and Accounting terms/phrases/routine office notes:</td>
<td>10 marks</td>
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### HINDI-II (HIGHER LEVEL)

**Objectives:**
- To be able to prepare official notes and drafts in Hindi.
- To be able to understand audit and accounts terminology in Hindi.
- To be able to have good skill of translation techniques.

**Interpretation of the objectives:**
This category of probationers though possess adequate knowledge of Hindi do not have sufficient skill of translation techniques, audit and accounts terms and phrases and noting and drafting in Hindi.

**Examination Scheme:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set and free composition comprising of precis writing, comprehension and free composition:</td>
<td>20 marks</td>
</tr>
<tr>
<td>Translation of notes and drafts of technical nature into simple and intelligible Hindi:</td>
<td>10 marks</td>
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<tr>
<td>Official correspondence, noting and drafting in Hindi:</td>
<td>10 marks</td>
</tr>
<tr>
<td>Audit and Accounting terminology/routine office notes:</td>
<td>10 marks</td>
</tr>
</tbody>
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### Readings:
- Karyalay Sahayika by Central Secretariat Hindi Parishad.
- Glossary of Audit and Accounts terminology by CAG of India.
- Audit notes and drafts by Central Secretariat Hindi Parishad.

All the books are allowed in the examination.