

**OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**  
**NEW DELHI**  
**EXAMINATION WING**

**Circular No. 18 of 2022**

(For IA&AD only)

No. 476/16-Exam/SAS/Papers Review/2022

Dated: 27/10/2022

To

Heads of Department of IA&AD offices  
DG (Staff)/DG (HQ)  
(As per standard e-mail list)

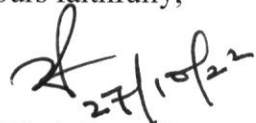
**Sub: Revised Syllabus of Subordinate Audit/Accounts Services (SAS) Examination**

Madam/Sir,

The Comptroller and Auditor General of India constituted a committee headed by ADAI (Staff) to review the Subordinate Audit/Accounts Services (SAS) Examination syllabus, papers and the pattern of Questions. The Competent Authority has accepted the recommendations of the committee so constituted and has approved the **revised syllabus along with paper wise exemption matrix** of SAS Exam.

2. The salient features of the revised syllabus and pattern of SAS Examination, are as follows:
  - a) The number of branches of exams have been rationalised from 7 to 6 branches combining Civil Audit and Local Audit.
  - b) The number of papers (PCs), have been rationalised from 27 to 20 papers.
  - c) A candidate has to pass 8 papers in 2 groups of 4 papers each.
  - d) 3 out of 4 papers in Group-I, are common to all branches [PC-1: Language Skills, PC-2: Government Audit & PC-3: Information Technology (Theory & Practical)].
3. The revised syllabus of SAS Examination shall be implemented from Examination-II of 2024.
4. The revised syllabus along with paper wise exemption matrix is attached herewith for information. The same may be viewed/downloaded from CAG's website (cag.gov.in>Departmental Examinations>Syllabus & Books).

Yours faithfully,



(Hirak Bagchi)

Sr. Administrative Officer (Exam)

***Revised Syllabus of  
Subordinate Audit/Accounts  
Services (SAS) Examination***

***October 2022***

**Committee Members:**

1. Shri M S Subrahmanyam, DG (Commercial Audit), Hyderabad
2. Ms. Alka Rehani Bhardwaj, DG (GA)
3. Sh. Manish Kumar-II, DG (F&C)
4. Sh. Sandip Roy, DG (Central Railway)
5. Shri Saurabh Kumar Mallick, DG (Central Region)
6. Sh. Shailendra Vikram Singh, DG (PC)
7. Sh. Bijit Kumar Mukherjee, PD (Local Bodies)
8. Shri Sumant Narain, PD (Northern Railways)
9. Shri Vikram D Murugaraj, PDA (Railway Commercial)
10. Shri V S Venkatanathan, PDA (Defence), Chandigarh,

**Convenor:** Shri Purushottam Tiwary, DG (Exam)

**Chairperson:** Shri K.S. Subramanian, ADAI (Staff)

### **Group- I**

#### **PC 1: Language Skills**

**(For all branches)**

**Duration: 3 hours**

**Maximum Marks: 100**

#### **Objective:**

1. To test the candidates' ability to read and comprehend given content and to express ideas clearly, correctly and in a concise manner.
2. To test the ability of the candidate to analyse information before drafting an audit product.

#### **Detailed Syllabus:**

**Type of Questions #:**

**‘Descriptive’**

##### **1. Draft paragraph/ Draft Audit Comments-**

**(range 25-30 marks)**

Candidates would be expected to frame a Draft Paragraph or Draft Audit Comments from the given material (may include contents from Compliance Audit, Performance Audit and/ or Financial Statements of Autonomous Bodies/ PSUs & Accounts of State/ Central Government).

##### **2. Short Essay-**

**(500 words; range 20- 25 marks)**

Candidates would be required to write one essay from four/ five given topics. They will be expected to keep closely to the subject of the essay to arrange their ideas in orderly fashion and to write concisely. Credit will be given for effective and exact expression.

##### **3. Precis-**

**(one third length of the given passage; range 20-25 marks)**

The candidate is expected to write a summary or a gist of the main points of a comprehensive passage that is supposed to cover the main essence/ idea of the passage in her/ his own words.

##### **4. Answering questions after reading a passage**

**(range 10-15 marks)**

Candidates would be given a passage to read and comprehend and to answer three to five short questions in clear, concise and correct language.

##### **5. Letter writing/ drafting OM-**

**(range 10-15 marks)**

Candidates would be asked to write an official/ Demi official letter or to draft an Office Memorandum on a given subject.

### **Reading Material**

1. MSO Audit Section 7 Chapter 3 Preparation of Audit Report.
2. Style Guide as prescribed by the Department.
3. Precis and Draft by Muthuswamy and Brinda
4. Karyalay Sahayika- a book published by Kendriya Sachivalaya, Hindi Parishad, New Delhi.
5. Books which may contain question, standard of which is similar to the Indian Banking Services for Clerical Grade and Probationary Officers

### **Group- I**

**PC 2: Government Audit**

**(For all branches)**

**Duration: 2 hours**

**Maximum Marks: 100**

***Questions would primarily be Case Study based***

#### ***Objectives:***

**To assess Candidate's knowledge about:**

- Audit, type of audits and auditing process, new development in audit
- Mandate of C&AG of India and ability to apply rules provision for audit at all stages.

***Note:***

- *While the details of different types of audit will be covered in respective Group II papers, this paper would assess the candidate's ability to differentiate between different audits and their applicability.*
- *Different rules/ provisions that form criteria for audit should not be asked to test knowledge of candidates as part of this paper. However, the questions may be asked about applicability of such rules. In such a case, the rule provision may be provided to candidates as part of case.*

#### **I. Audit & CAG's mandate:**

**(Weightage – 15 per cent)**

- Definition, type of audits
- Vision and Mission of C&AG of India
- Constitution of India (relevant provisions related to C&AG of India)
  - i. Part I, Article-12
  - ii. Part V (Procedures in financial matters- Article 112-117, Chapter V- C&AG of India- Article 148-151)
  - iii. Part VI (Procedures in financial matters- Article 202-207)
  - iv. Part IX, IX A (The Panchayats, the Municipalities, along with 11<sup>th</sup> and 12<sup>th</sup> schedules), 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts.
  - v. Part XI (along with 7<sup>th</sup> schedule)
  - vi. Part XII- Chapter I and II
- C&AG of India (Duties Power & Conditions of Service) Act 1971, Regulations on Audit and Accounts 2020.

#### **II. Principles and Standards of Auditing:**

**(Weightage – 25 per cent)**

- International Standards- INTOSAI Principles and selected standards and guidance.
  - i. ISSAI- 1, 10, 100, 200, 300, 400
- Ethics in Audit, including CAG's Code of Ethics and ISSAI 130
- CAG's Auditing Standards.

**III. Audit Process:** (Weightage – 30 per cent)

- Planning and Designing of Audit:  
Understanding the entity, risk analysis (parameters and techniques), audit programming, desk review, Audit design matrix (identifying criteria and appropriate audit methodology).
- Execution  
Entry/ exit conference, audit requisition/ audit enquiry/ audit observation, Audit evidence (characteristics, evidence gathering and analysis techniques)
- Reporting  
Different types of audit reports of IAAD, Executive summary, characteristics of good audit report
- Follow up  
PAC/Legislative Committees (constitution, interaction with IAAD and different reports), ATN/ATR

**IV. Audit Specialisations:** (Weightage – 10 per cent)

- Environment audit, role of audit in relation to fraud & Corruption, Audit of PPP, Audit of internal controls

**V. Statistics and its application for audit:** (Weightage – 20 per cent)

- Descriptive statistics
- Graphical and numerical representation of data
- Measures of central tendency (mean, median, mode) and dispersion
- Basic Concepts of Correlation.
- Sampling techniques (Questions should test the ability of candidates to apply statistical concepts in a typical audit situation)

**Reading Material**

1. Constitution of India (relevant provisions related to C&AG of India)
2. C&AG of India (Duties Power & Conditions of Service) Act 1971
3. Regulations on Audit and Accounts 2020
4. CAG's Auditing Standards 2017
5. Audit Quality Management Framework
6. Internal Controls Evaluation Manual of C&AG
7. Public Private Partnerships in Infrastructure Project Public Auditing Guidelines of C&AG
8. Environment and Climate Change Auditing Guidelines issued by C&AG
9. Standing Order on Role of Audit in Relation to Cases of Fraud and Corruption issued by C&AG.

10. Statistics for Economics (Text Book for Class XI) –  
<https://ncert.nic.in/textbook.php?kest1=0-9>
11. ISSAI- 1, 10, 100, 130, 200, 300, 400 (<https://www.issai.org/professional-pronouncements/>)
12. Style Guide of IA&AD



### **Group- I**

#### **PC 3: Information Technology (Theory and Practical) (all branches)**

**Duration: 2 hours**

**Maximum Marks: 100**

##### **Objectives:**

1. **To test IT Skills:** This area would cover basic skills in word processing, electronic spreadsheets and presentation skills (in other words the basic MS Office suite). The thrust would be on assessing database handling skills. What is far more important and relevant today, is for the auditor to be able to adopt a database driven approach. The moment an auditor sees or uses data he should be able to visualise the data in a data structure. Most of the other skills will emanate from this skill of the auditor. Even today, it is not infrequent to find auditors using word processors for data. Even spreadsheet has its limitations while handling data. Most offices do not have a comprehensive database of auditee units with all the relevant attributes for carrying out a risk based selection of units – during the annual audit planning exercise. This is because offices have the auditee data scattered in word and excel files. An auditor with database handling skills would be able to address this issue. Likewise in Performance Audits (PAs) – guidelines include exhaustive data collection in spreadsheets. The information collected in spreadsheets from various offices has to be manually collated. An auditor with a data driven approach would be able to provide efficient and effective solution for this as well.
2. **To test Skills required to audit in a computerised environment:** This area would test skills on Data acquisition and import from the IT systems of the auditee.
3. **To test IS Audit Skills:** This area would test skills of the auditor in conducting IS Audit. The auditor ought to have clarity in regard to the distinction between IS Audit and use of IT for Audit.

#### **A. Information Technology (Theory)**

**40 Marks**

##### **1.1 Fundamentals of Computers & Information Technology**

**10 Marks**

- 1.1.1 Introduction to Computers and their components- Hardware, CPU, Memory devices etc
- 1.1.2 Basic Software tools MS Word, MS Excel and MS PowerPoint, Operating System, its keyfunctions, ERP Systems.
- 1.1.3 Basic Computer Network concepts- LAN/ WAN/ Internet, server infrastructure, endpointdevices
- 1.1.4 Cloud computing — basic concepts (IAAS, PAAS, SAAS)

##### **1.2 Database Management Systems**

**10 Marks**

- 1.2.1. Data and database - basic concepts of DBMS and RDBMS, designing a database, Normalization.

1 2 2. Relational database (Integrity constraints- primary, foreign keys, different types of Relationships)

1 2 3 Concept of action query, Joins, views, data manipulation etc.

**1.3. Governance and Management of Information Systems in India 05 Marks**

1.3.1. IT Act 2000 (and subsequent amendments)

1.3.2. IT (reasonable security practices and procedures and sensitive personal data and information rules-2011)

1.3.3 Guidelines for Indian Government Websites (GIGW)

1 3.4. National e-Governance Plan (NeGP) and associated MMPs (Mission Mode Projects)

1.3.5. Digital India Programme, e-Kranti mission

**1.4. Protection of Information Assets 05 Marks**

1.4.1. Basic criteria for information protection - Confidentiality, Integrity and nonrepudiability, Availability of data

1.4.2. Privacy principles, principles of personally identifiable information (PII)

1.4.3. Physical access and environment control

1.4.4. Information system attack methods and current OWASP vulnerabilities

**1.5. Information System Auditing Process 05 Marks**

1.5.1. CAG's Standing order on auditing in an IT environment (August 2020)

1.5.2. Type of controls (Control objective and measures, General and IS specific controls)

1.5.3. CAATs, continuous auditing techniques

**1.6. Information systems acquisition, development and implementation 05 Marks**

1.6.1. System Development Life Cycle (SDLC) phases.

**Suggested reading material/ references:**

1. CAG's Standing order on auditing in IT environment.

2. WGITA-IDI handbook on IT audit for Supreme Audit Institutions.

3 For 1.3 - Acts/Rules can be used for reading material.

4 Introduction to Computers by Peter Norton –Seventh Edition published by Tata-McGraw-Hill Education Pvt. Ltd., New Delhi.

5 Cyber Security Guidelines for Government Employees (current version) compiled and circulated by MEITY – NIC.

6 Checklist for Involvement of Audit in the System Development Phases of Information Technology Systems printed by the IT Audit Wing (iCISA).

**B. Information Technology (Practical) 60 Marks**

**I. WORD 2019 10 Marks**

Formatting Text, Paragraphs, Sections, and objects, Creating and Managing Tables, List, Index, Reference Table, hyperlink, Mail merge, File Compare, embedding documents, Bookmarks, Comments, Headers, Footers, Track Changes,

Configuring documents to print or save.

**II. EXCEL 2019**

**20 Marks**

Creating and Managing Worksheets and Workbooks, Importing Text, CSV, MS-Access data into Excel, Functions (Text, Numeric and Date), Logical functions (IF, AND, OR NOT), Formulas, Graphs, fill and Flash fill, Sorting, Advance Filters, Lookup, Data Validation, Conditional Formatting, Data analysis using Pivot tables, Creating Power Pivot, What if analysis, Recording Macros, Configuring Worksheets and Workbooks to print or save.

**III. Access 2019**

**20 Marks**

Creating and Managing a Database, Tables with fields of different data types, Formatting, captions, Validation Rule, Validation text, Indexed etc, Creating Different types of relationships between more than two databases, use of Primary/Foreign Key to Link Between two related Databases, extracting data from single and multiple tables, applying And/Or criteria, Input of data directly by adding records. Designing Queries. Save/edit/delete Queries, Import/Export from Excel, Text File, Import from Saved exports, Share Point. Create Forms for Tables/Queries, Creating/Formatting Reports using Report tool.

**IV. Power Point 2019**

**10 Marks**

Create Presentation, Modify presentation themes, Add and edit text to slides, Add new slides in presentation. Insert clipart images and shapes to slides, Insert/modify tables and charts, Add sound and video to a slide presentation, Insert and edit animations and slide transitions, Display a speaker-lead and self-running presentation, Print/Save Slides.

### **Group- I**

#### ***PC-4: Financial Rules, Service Rules and Basic Principles of Government Accounts and CPWA***

***(Civil Accounts, Civil Audit & Local Audit)***

***Duration: 2 hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based***

#### ***Objectives:***

To test the candidate's knowledge of Services Rules, understanding of basic principles of Government Accounts, General Financial Rules and their application in preparation of the Annual Accounts of States.

#### **Section I. Service rules and regulations**

**Weightage: 15%**

##### **Syllabus**

Provisions of the following Rules and Regulations:

1. Fundamental Rules & Supplementary Rules (Part I): - Provisions relating to the following:
  - (a) General Conditions of Service
  - (b) Pay, Additions to Pay and Pay Fixation
  - (c) Dismissal, Removal and Suspension
  - (d) Retirement
  - (e) Medical Certificate of Fitness on first entry
2. Fundamental Rules & Supplementary Rules (Part II): Travelling Allowance Rules
3. Fundamental Rules & Supplementary Rules (Part III): CCS (Leave) Rules 1972
4. Central Civil Services (Joining Time) Rules
5. Central Civil Services (Classification, Control and Appeal Rules)
6. Central Civil Services (Conduct) Rules
7. General Provident Fund (Central Services) Rules
8. CCS Pension Rules 1972
9. Defined Contribution Pension Scheme (New Pension Scheme)

#### **Section II. General Financial Rules.**

**Weightage: 15 %**

##### **Syllabus**

1. Central Government Accounts (Receipts and Payment) Rules, 1983.
2. General Financial Rules, 2017 (*Chapters 1,2,3,4,5,7,9,10,11 &12*)
3. *Delegation of Financial Powers Rules 1978*

### **Section III. Civil Accounts**

**Weightage: 70 %**

#### **Syllabus**

1. Government Accounting Rules,1990- Chapter on General outline of the system of Accounts
2. Account Code for Accountant General
3. List of Major and Minor Heads of Accounts of Receipts and Disbursements of the Central and State Governments
4. Comptroller and Auditor General's Manual of Standing Orders(A&E) Volume-I (*Chapters 3,4,5,6,7,10,11,16,17,19 &20*)
5. Comptroller and Auditor General's Manual Standing Orders (A&E) Volume-II (*Chapters 1 & 2*)
6. Civil Accounts Manual (Revised second edition 2007) issued by Controller General of Accounts, Ministry of Finance, Department of Expenditure, New Delhi (*Chapter 1-paragraphs No. 1.2,1.4,1.12, Chapter 4-paragraphs No. 4.6,4.7,4.8 and Appendix 'B' Chapter 5-paragraph No. 5.15 and Annexure 'C', Chapter 7 except paragraph No. 7.16, Chapter 8, Chapter 10-paragraphs No.10.3,10.4,10.9 and Annexure 'A' Chapter 16-paragraph 16.1 and Chapter 17- paragraphs No. 17.7 and 17.10*)
7. Central Public Works Accounts Code with Appendices
8. Comptroller and Auditor General's Manual of Standing Orders(A&E) Volume-I (*Chapter 8-Accounts of Public works & Chapter 9-Accounts of Forests*)
9. Book of Forms referred in CPWA Code

#### **Reference Books:**

1. Fundamental Rules and Supplementary Rules for Central Services Part I, II&III
2. Central Civil Services (Classification, Control and Appeal Rules)
3. Central Civil Services (Conduct) Rules
4. Fundamental Rules & Supplementary Rules- Part IV: Dearness allowance, Dearness Relief and House Rent Allowance
5. Central Civil Services (Joining Time) Rules
6. General Provident Fund (Central Services) Rules
7. CCS Pension Rules 1972
8. Defined Contribution Pension Scheme (New Pension Scheme)
9. General Financial Rules 2017
10. Central Government Account (Receipts & Payments) Rules 1983
11. Delegation of Financial Powers Rules (DFPR) 1978
12. Government Accounting Rules 1990 published by Controller General of Accounts
13. Accounting Rules for Treasuries 1992
14. Account Code for Accountants General
15. Account Code Volume III
16. List of Major and Minor Heads of Accounts of Union and States (LMMH)
17. Comptroller & Auditor General Manual of Standing Orders (A&E) Volume I, II & III

18. Civil Accounts Manual, issued by Controller General of Accounts, Ministry of Finance,
19. Department of Expenditure, GOI
20. CPWD Works manual 2014
21. Book of Forms referred in CPWA Code

### **Group- I**

#### ***Revised PC 5: Financial Rules, Service Rules & Principles of Defence Accounts***

***Duration: 2 hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based***

#### ***Objective:***

- a. To test understanding of Service Rules & Regulations relating to central services in general & defence services in particular
- b. To test understanding of the financial rules, regulations & their delegation
- c. To test understanding of government accounting in general & the principles of defence accounting in particular

#### **Detailed Syllabus:**

- I. Service Rules & Regulations relating to Central Services in general & Defence Services in particular
- II. Financial rules, regulations and their delegation
- III. Government Accounting in general & the Principles of Defence Accounting in particular

#### **Section I: Service Rules and Regulations relating to Central Services in general & Defence Services in particular [40 percent]**

Provisions relating to the following

1. Government rules and regulations governing Central Government Staff along-with rules & instructions on service matters
2. Pay rules for the Officers & Personnel Below Officer Rank of the Armed Forces.
3. Pay & Allowances Regulations for the Officers & Personnel Below Officer Rank of the Armed Forces
4. Leave Rules for the Armed Forces Personnel
5. Pension regulations for the Officers & Personnel Below Officer Rank of the Armed Forces
6. Travel Regulations for the Armed Forces Personnel

#### **Reading material /Suggested Reading:**

1. Fundamental Rules & Supplementary Rules - Part I : General Rules
2. Fundamental Rules & Supplementary Rules- Part III : CCS (Leave) Rules 1972
3. Central Civil Services ( Classification, Control and Appeal Rules)

4. Central Civil Services ( Conduct ) Rules
5. Army Officers Pay Rules 2017
6. Army Pay Rules 2017
7. GOI, MoD Ir. No. 1(16)/2017/D(Pay Services) dtd. 18.09.2017 addressed to The Chief of Army Staff, The Chief of Naval Staff & The Chief of Air Staff
8. Air Force Officers Pay Rules, 2017
9. Air Force Pay Rules ,2017
10. Navy Officers Pay Regulations 2017
11. Navy Pay Regulations , 2017
12. Pay & Allowances Regulations (Officers) of the Army (Rev. Edn. 1954)
13. Pay & Allowances Regulations for JCOs, ORs and Non-Combatant for Army (Rev. Edn. 1979)
14. Leave Rules for the Services Volume I (Army) 2018
15. Navy (Pay & Allowances) Regulations 1966
16. Navy Leave Regulations 2019
17. Pay & Allowances Regulations for the I.A.F. (Rev. Edn.) 1955
18. Leave Rules for the Service Volume III (Air Force) 1954
19. Pension Regulations for the Army, Part –I (2008)
20. Pension Regulations for the Army, Part –II (2008)
21. Pension Regulations for the Air Force (1961) , Part –I
22. Pension Regulations for the Air Force (1961) , Part –II
23. Navy (Pension) Regulations, 1964
24. Defence Service Regulations -Travel Regulations

## **Section II: Financial rules, regulations and their delegation**

**[30 percent]**

Provisions relating to the following:

1. Rules and orders of Government of India dealing with matters involving public finances
2. Policies and procedures for procurement of Goods, Works and hiring of Consultants
3. Rules relating to delegation of Financial Powers
4. Rules regulating custody of Consolidated Fund of India, Contingency Fund of India, payment and withdrawal from these funds
5. Rules relating to custody of Public Moneys, payments into and withdrawals from Public Account of India
6. Rules for transactions pertaining to Government Ministries and Departments
7. Financial Regulations pertaining to Defence Services
8. Schedule of procurement powers pertaining to the Defence Services.

### **Reading material /Suggested Reading:**

1. General Financial Rules 2017
2. Manual for procurement of works (June 2022)
3. Manual for procurement of goods (June 2022)
4. Manual for procurement of consultancy & other services (June 2022)
5. Delegation of Financial Power Rules, 1978



6. Central Government Accounts (Receipt & Payments) Rules 2022 & Subsidiary Instructions to Central Government Account (Receipts & payments) Rules, 2022
7. DSR-Financial Regulations Part I ( Vol I ) Revised Edition 1983
8. DSR-Financial Regulations Part II (Revised Edition 1968) ( Reprint 1988)
9. DFPDS 2021

**Section III: Government Accounting in general & the principles of defence accounting in particular [30 percent]**

Provisions relating to the following:

1. Government budget – meaning, objectives and components
2. Constitutional provisions related to budgeting and appropriation of funds
3. Process involved in the preparation of Government budget
4. Budget documents presented in Parliament
5. General principles of Government Accounting
6. Instructions and procedures relating to accounting, compilation, consolidation of annual accounts and inter-departmental/inter-governmental adjustments by Defence Accounts Department
7. Classification of Code heads for booking of receipts and expenditure (Revenue Account & Capital Expenditure) pertaining to Defence Services
8. Classification of code heads for booking of expenditure in respect of civil organizations within Ministry of Defence and other ministries.

**Reading material /Suggested Reading:**

1. Budget Documents including Budget at a glance, key budget documents such as Annual Financial Statements, Demand for grants, Finance bill, Appropriation bill/Act etc.
2. Government Budget Principles and Practice - Dr. C.N. Sudarsanana, Foreword by – Shri T. N. Chaturvedi
3. Government Accounting Rules 1990
4. Defence Account Code (2014 Edn.)
5. Classification Hand Book, Defence Services – Receipts & Charges (2014)
6. Pamphlet of Revenue, Debt and remittance Heads (2010)
7. General Directions of Major and Minor Heads of Account of Union and States (2<sup>nd</sup> Reprint of Fourth Edition)

### **Group- I**

#### ***PC-6: Financial Rules, Service Rules and Basic Principles of Postal and Telecom Accounts***

***(Finance & Communication Audit)***

***Duration: 2 Hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based***

#### ***Objective:***

To evaluate the knowledge of accounting, service and financial rules and preparation and maintenance of Accounts in Department of Posts / Telecommunications.

#### **Detailed Syllabus:**

##### **I. Service Rules**

**30 Marks**

- a. Fundamental Rules & Supplementary Rules:  
Provisions relating to the following:
  - (i) General Conditions of Service
  - (ii) Pay, Additions to Pay and Pay Fixation
  - (iii) Dismissal, Removal and Suspension
  - (iv) Retirement
  - (v) Medical Certificate of Fitness on first entry
- b. Travelling Allowance Rules
- c. CCS (Leave) Rules 1972
- d. Central Civil Services ( Joining Time ) Rules
- e. Central Civil Services ( Classification, Control and Appeal Rules)
- f. Central Civil Services ( Conduct ) Rules
- g. General Provident Fund ( Central Services ) Rules
- h. CCS Pension Rules 1972
- i. Defined Contribution Pension Scheme (New Pension Scheme)

##### **II. Financial Rules and Accounting procedures of Postal / Telecom Department - 40 Marks**

- a. General Financial Rules 2017,
- b. Central Government Receipts and Payment Rules,
- c. Delegation of Financial Powers etc.
- d. Account Manuals of Department of Posts / Telecom

### III. Accounts of Postal / Telecom Department

30 Marks

- a. Maintenance of Accounts in conformity with Postal, Telecom and Civil Accounts Manuals
- b. Understanding of Principles of preparation of Accounts of the Departments
- c. Classification of Accounts and relationship with Budget allocations

#### **Reading material /Suggested Reading:**

1. General Financial Rules, 2017
2. Central Government Accounts (Receipt and Payment Rules) 1983.
3. Schedule of Financial powers of Postal Services Board, Deptt. of Posts Rules, 1978
4. Delegation of Financial Powers Rules, 1978
5. Postal Accounts Manuals
6. Government Accounting Rules, 1990
7. P&T FHB Volume-I & II
8. Civil Accounts Manual.
9. Postal Manual Volume- II & VI (Part-II)
10. Manual of S.B. Control pairing and Internal Check Organization
11. Post Office Guide (Part-I & Part-IV)
12. List of Major and Minor Heads (LMMH)
13. Manual of Standing Orders (MSO) Audit
14. Fundamental Rules & Supplementary Rules - Part I : General Rules
15. Fundamental Rules & Supplementary Rules- Part II : T.A. Rules
16. Fundamental Rules & Supplementary Rules- Part III : CCS (Leave) Rules 1972
17. Fundamental Rules & Supplementary Rules- Part IV: Dearness allowance, Dearness Relief and House Rent Allowance
18. Central Civil Services (Joining Time) Rules
19. Central Civil Services (Classification, Control and Appeal Rules)
20. Central Civil Services (Conduct) Rules
21. General Provident Fund (Central Services) Rules
22. CCS Pension Rules 1972
23. Defined Contribution Pension Scheme (New Pension Scheme)

### **Group- I**

#### **PC-7 – Railways Service Rules, Financial Rules, and Principles of Railways Accounts**

**[For Railways Audit]**

**Duration: 2 hours**

**Maximum Marks: 100**

**Questions would primarily be Case Study based**

#### **Objective:**

To test in-depth, the candidate's knowledge and understanding of Financial Rules, Service Rules, and Principles of Railways Accounts.

#### **Detailed Syllabus and Reading Material**

##### **I. Service Rules (30% weightage)**

Provisions governing railways service, labour laws, establishment rules etc. will be covered. The syllabus will be based entirely on Acts, statutory provisions, and departmental publications of the Indian Railways.

The syllabus and reading material shall be as below:

<b>No.</b>	<b>Syllabus and Reading Material</b>	<b>Remarks</b>
<b>1</b>	<b>The Railways Act, 1989</b>	
1	Chapter II A: Rail Land Development Authority	The following (4) chapters have been omitted: I: Preliminary II: Railway Administrations XII: Accidents XIV: Regulation of Hours of Work and Period of Rest
2	Chapter III: Commissioners of Rail Safety	
3	Chapter IV: Construction and Maintenance of Works	
4	Chapter IV A: Land Acquisition for a Special Railway Project	
5	Chapter V: Opening of Railways	
6	Chapter VI: Fixation of Rates	
7	Chapter VII: Railway Rates Tribunal	
8	Chapter VIII: Carriage of Passengers	
9	Chapter IX: Carriage of Goods	
10	Chapter X: Special Provisions as to Goods Booked to Notified Stations	
11	Chapter XI: Responsibilities of Railway Administrations as Carriers	
12	Chapter XIII: Liability of Railway Administration for Death and Injury to Passengers due to Accidents	
13	Chapter XV: Penalties and Offences	
14	Chapter XVI: Miscellaneous	
<b>2</b>	<b>Indian Railway Establishment Code, Volume-I</b>	
1	Chapter 1: General	

2	Chapter 2: General Conditions of Service	The following (5) chapters have been omitted: 3: Termination of Service 6: Medical Attendance and Treatment Rules 7: Law Suits against Railway Servants 8: Staff Benefit Fund 9: Provident Fund Rules
3	Chapter 4: Extension of Service and Re-employment of persons previously in Government Service	
4	Chapter 5: Leave Rules	
5	Chapter 10: State Railway Gratuity Rules	
6	Chapter 11: Joining Time Rules	
7	Chapter 12: Compensation for Injuries and Loss of Personal Property	
3	Indian Railway Establishment Code, Volume-II	
1	Chapter 13: Railway Fundamental Rules – Pay and Increments	The following chapter has been omitted: 19: Confidential Reports (Deleted)
2	Chapter 14: Dearness and Other Compensatory Allowances	
3	Chapter 15: Overtime and Running Allowances for Group ‘C’ and Group ‘D’ Railway Servants	
4	Chapter 16: Travelling Allowances	
5	Chapter 17: House Rent and Compensatory (City) Allowances	
6	Chapter 18: Retirement	
7	Chapter 20: Foreign Service and Deputation	
4	Indian Railway Establishment Manual, Volume I	
1	Chapter 4: Scales of Pay applicable to Principal categories of non-gazetted staff	The following (7) chapters have been omitted: 1: Recruitment, training, confirmation and re-employment 2: Rules governing promotion of Subordinate Staff 3: Rules Regulating seniority of non-gazetted Railway Servants 5: Percentage of Posts fixed for various categories 12: Change in name 14: Forwarding of applications from serving Railway employees for posts outside Railways 16: Holidays and Special Casual Leave
2	Chapter 6: Pay, increments and efficiency bars	
3	Chapter 7: Compensatory and other allowances	
4	Chapter 8: Dearness Allowance	
5	Chapter 9: Running Allowance Rules	
6	Chapter 10: Arrears claims and recoveries of overpayments	
7	Chapter 11: Advances	
8	Chapter 13: Absorption of medically incapacitated staff in alternative employment	
5	Indian Railway Establishment Manual, Volume II	
1	Chapter XVII: Railway quarters and Recovery of Rent	The following (7) chapters have been omitted: XIX: Apprentices XX: Casual Labour XXI: Staff Cars XXII: Staff Welfare XXIII: Cooperative Societies
2	Chapter XVIII: Attachments of pay and Allowances for Debt	
3	Chapter XXIV: Grants-in-Aid	

		XXV: Rules for the recognition of Service Associations of Railway Servants XXVI: Staff Council and negotiating machinery
6	Railway Services (Pension) Amendment Rules, 2016	
1	Chapter IV: Emoluments and Average Emoluments	The following (7) chapters have been omitted: I: Preliminary II: General Conditions III: Qualifying Service IX: Family Pension and Death-cum-Retirement Gratuity in respect of Railway Servant dying while in Service X: Sanction of Family Pension and Residuary Gratuity in respect of deceased pensioners XI: Payment of Pension XII: Miscellaneous
2	Chapter V: Classes of Pensioners and Conditions governing their grant	
3	Chapter VI: Regulation of Amounts of Pension	
4	Chapter VII: Determination and Authorization of amounts of Pension and Gratuity	
7	Indian Railways Administration and Finance – An Introduction	
1	Chapter III: Railways, the Public and Parliament	The following (7) chapters have been omitted: I: Evolution of Indian Railways – Historical Background II: Structure and Objectives of Railway Management IV: Employee Relations VII: The Separation Convention IX: Economics of Rail Transport X: Advances and Arrear Claims XII: Records of Service
2	Chapter V: Management Accountability	
3	Chapter VI: Electronic Data Processing - General Application	
4	Chapter VIII: Operational and Financial Planning	
5	Chapter XI: Disallowances and Objections	

## II. Railways Financial Rules (20% weightage)

Provisions governing the Railways Financial Management and Administration will be covered. The syllabus will be based entirely on departmental publications of the Indian Railways.

The syllabus and reading material shall be as below:

No.	Syllabus and Reading Material	Remarks
<b>8</b>	<b>Indian Railways Financial Code, Volume I</b>	
1	Chapter ii: Financial Appraisal of Railway Projects	The following (5) chapters have been omitted: i: Financial Organization Historical Background vi: Contracts General Principles viii: Inter Railway and Inter Departmental Service ix: Inter Railway and Inter Departmental Service ('viii' and 'ix' are the same topic) x: Petty Contingent Expenses Cash Imprest
2	Chapter iii: Railway Budget	
3	Chapter iv: Parliamentary Financial Control Appropriation Accounts	
4	Chapter v: Budgetary and Expenditure Control Finance/Management Reporting	
5	Chapter vii: Allocation of Expenditure	
6	Chapter xi: Reporting and Investigation of Loss of Cash, Stores or Other Railway Property	
<b>9</b>	<b>Indian Railway Code for Engineering Department</b>	
1	Chapter III: Traffic Survey	The following (4) chapters have been omitted: I: Organization and Administration II: Modes of Investigation of Railway Projects IV: Engineering Survey Reconnaissance, Preliminary and Final Location Surveys V: Engineering Survey Project Reports Techno Economic Survey Report and Feasibility Report
2	Chapter VI: Investment Planning and Works Budget	
3	Chapter VII: Estimates	
4	Chapter VIII: Rules for the acquisition of land	
5	Chapter IX: Procedure for the acquisition of land	
6	Chapter X: The Custody, Management and Disposal of Land	
7	Chapter XI: The Execution of Works	
8	Chapter XII: Contracts for Work	
9	Chapter XIII: Initial Records	
10	Chapter XIV: Initial Accounts of Revenue and Works Expenditures	
11	Chapter XVII: Completion of Railway Projects	
12	Chapter XVIII: Miscellaneous Works	
13	Chapter XIX: Buildings and Rents	



### III. Principles of Railways Accounts (50% weightage)

Provisions governing the Railways Accounts will be covered. The syllabus will be based entirely on departmental publications of the Indian Railways.

The syllabus and reading material shall be as below:

No.	Syllabus and Reading Material	Remarks
<b>10</b>	<b>Indian Railway Code for Accounts Department, Part I</b>	
1	Chapter II: Structure of Railway Accounts	The following (9) chapters have been omitted: I: Departmental Regulations III: Compilation of Railway Accounts IV: Remittance Transactions – India V: Remittance Transactions – Outside India VII: Annual Accounts and Returns IX: Provident Fund Accounts XIII: Check of Pay Rolls – Officers XIV: Check of Pay Rolls – Staff XIX: Cash and Pay Department
2	Chapter VI: Suspense Accounts	
3	Chapter VIII: Internal Check	
4	Chapter X: Internal Check of Pension Payments	
5	Chapter XI: Bills	
6	Chapter XII: Check of Establishment Charges - General	
7	Chapter XV: Finance Functions	
8	Chapter XVI: Miscellaneous Expenditure	
9	Chapter XVII: Inspection of Executive Offices	
10	Chapter XVIII: Security Deposits	
<b>11</b>	<b>Indian Railway Code for Accounts Department, Part II</b>	
1	Chapter XX: Check of Traffic Earnings - Introductory	The following (1) chapter has been omitted: XXV: Check of Out/City Booking Agencies/JTBS/YTSK Bills
2	Chapter XXI: Check of Passenger Traffic Earnings	
3	Chapter XXII: Check of Other Coaching Traffic Earnings	
4	Chapter XXIII: Check of Goods Traffic Earnings	
5	Chapter XXIV: Refund of Unclaimed Overcharges and Check of Refund Lists Overcharge Sheets and Compensation Claims	
6	Chapter XXVI: Check of Terminal Tax on Goods and Parcels	
7	Chapter XXVII: Check of Station Balance Sheets	
8	Chapter XXVIII: Accounts Office debits, and their clearance	
9	Chapter XXIX: Carriage Bills and the Accounts Office Balance Sheet	
10	Chapter XXX: Check of Handling Bills	
11	Chapter XXXI: Accounts of Worked Lines, including Private and non-Government Railways	
12	Chapter XXXII: The Traffic Book	
13	Chapter XXXIII: Inspection of Station Accounts	



14	Chapter XXXIV: Check of Traffic relating to Railway Materials and Stores	
<b>12</b>	<b>Indian Railways Financial Code, Volume II</b>	
1	Classification of Revenue Expenditure (Appendix-I)	
2	Classification of Capital and Other Works Expenditures (Appendix-II)	
3	Classification of Earnings (Appendix-III)	

**Group- I**

***PC-8: Financial Rules, Basic Principles of Government and Public Works Accounts, Service Rules and Accounting Standards***

***(Commercial Audit)***

***Duration: 2 hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based/Practical oriented***

***Objective:***

To test the candidate's basic knowledge and understanding of the Financial Rules, basic principles of Government Accounts, Public Works Accounts and Accounting Standards applicable to Government, Autonomous Bodies and Companies

**Detailed Syllabus:**

**I. Financial Rules and Principles of Government Accounts in the following Rules: (20 Marks)**

- (a) Government Accounting Rules, 1990:
  - Chapter on General outline of the system of Accounts.
- (b) General Financial Rules, 2017
- (c) Delegation of Financial Powers Rules, 1978
- (d) Central Government (Receipts & Payments) Rules, 1983

**II. Introduction to Finance and Appropriation Accounts of Union and State Governments and their Statements (10 Marks)**

**III. Provisions of Central Public Works Accounts Code (20 Marks)**

- (a) Central Public Works Accounts Code with Appendices
- (b) Accounts Code Volume-III
- (c) Comptroller and Auditor General's Manual of Standing Orders (A&E) Volume-I
  - Chapter 8 – Accounts of Public Works
- (d) CPWD Works Manual, 2019

**IV. Service Rules (20 Marks)**

Provisions of the following Rules and Regulations:

1. Fundamental Rules & Supplementary Rules:

Provisions relating to the following:

- (a) General Conditions of Service
  - (b) Pay, Additions to Pay and Pay Fixation
  - (c) Dismissal, Removal and Suspension
  - (d) Retirement
  - (e) Medical Certificate of Fitness on first entry
- 2. Travelling Allowance Rules
  - 3. CCS (Leave) Rules 1972
  - 4. Central Civil Services (Joining Time) Rules
  - 5. Central Civil Services (Classification, Control and Appeal Rules)
  - 6. Central Civil Services (Conduct) Rules
  - 7. General Provident Fund (Central Services) Rules
  - 8. CCS Pension Rules 1972
  - 9. Defined Contribution Pension Scheme (New Pension Scheme)

**V. Accounting Standards:**

**(30 Marks)**

- (a) The Companies (Accounting Standards) Rules, 2021
- (b) Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs from time to time, with special reference to the following Standards (as amended from time to time):
  - (i) Ind AS 1 Presentation of Financial Statements
  - (ii) Ind AS 2 Inventories
  - (iii) Ind AS 7 Statement of Cash flows
  - (iv) Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
  - (v) Ind AS 10 Events occurring after Reporting Period
  - (vi) Ind AS 16 Property, Plant and Equipment
  - (vii) Ind AS 19 Employee Benefits
  - (viii) Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance
  - (ix) Ind AS 36 Impairment of Assets
  - (x) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets
  - (xi) Ind AS 115 Revenue from Contracts with customers
- (c) Uniform Format of Accounts for Central Autonomous Bodies

**Reading material /Suggested:**

The latest versions and amendments issued from time to time may be referred to:

- 1. Government Accounting Rules, 1990
- 2. General Financial Rules, 2017
- 3. Delegation of Financial Powers Rules, 1978
- 4. Central Government (Receipts & Payments) Rules, 1983

5. Central Public Works Accounts Code
6. Accounts Code Volume-III
7. Central Public Works Department Works Manual, 2019.
8. Comptroller & Auditor General Manual of Standing Orders (MSO) (A&E) Volumes-I and II
9. Fundamental Rules & Supplementary Rules - Part I: General Rules
10. Fundamental Rules & Supplementary Rules- Part II: T.A. Rules
11. Fundamental Rules & Supplementary Rules- Part III: CCS (Leave) Rules 1972
12. Fundamental Rules & Supplementary Rules- Part IV: Dearness allowance, Dearness Relief and House Rent Allowance
13. Central Civil Services (Joining Time) Rules
14. Central Civil Services (Classification, Control and Appeal Rules)
15. Central Civil Services (Conduct) Rules
16. General Provident Fund (Central Services) Rules
17. CCS Pension Rules 1972
18. Defined Contribution Pension Scheme (New Pension Scheme)
19. Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs from time to time
20. The Companies (Accounting Standards) Rules, 2021
21. Uniform Format of Accounts for Central Autonomous Bodies, prescribed by Government of India

## **Group- II**

### ***PC 9: Basic Financial Accounting and Analysis of Financial Statements (Commercial)***

***Civil Accounts, Civil Audit & Local Audit Branch, Defence Audit, Finance & Communication Audit, Railway Audit***

***Duration: 2 hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based/Practical oriented***

#### ***Objective:***

To test the candidate's understanding of the basic principles and concepts of accounting and apply the same in preparing and analyzing the financial statements

### ***Detailed Syllabus:***

#### **I. Financial Accounting:**

**(70 Marks)**

1. Financial Accounting: Nature and Scope, Limitations of Financial Accounting, Basic concepts and Conventions, Generally Accepted Accounting Principles (GAAP)
2. Accounting Process: From recording of transactions to preparation of Financial Statements, Books of original entry, Journal, Ledger, Preparation of Bank Reconciliation Statement, Trial Balance and Rectification of Errors
3. Depreciation, Provisions and Reserves
4. Final Accounts of Sole Proprietorship Concerns, Non-Profit Organizations
5. Accounts of Joint Stock Companies—Accounting for Share Capital and Borrowings, preparation of Final Accounts
6. Analysis of Financial Statements: Ratio Analysis, Common-Size Statements, Comparative Statements, Trend Analysis, Funds Flow Analysis/Statements, Cash Flow Analysis/Statements

#### **II. Accounting Standards:**

**(30 Marks)**

- (a) Introduction to Accounting Standards issued by the Institute of Chartered Accountants of India with special reference to the following Standards (as amended from time to time):

AS-1: Disclosure of Accounting Policies

AS-2: Valuation of Inventories

AS-3: Cash Flow Statements

AS-4: Contingencies and Events occurring after the Balance Sheet Date

AS-5: Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

AS-9: Revenue Recognition  
AS-10: Property, Plant and Equipment  
AS-12: Accounting for Government Grants  
AS-15: Employee Benefits  
AS-28: Impairment of Assets  
AS-29: Provisions, Contingent Liabilities and Contingent Assets

(b) Uniform Format of Accounts for Central Autonomous Bodies

**Reading material /Suggested:**

**Financial Accounting:**

1. Introduction to Accounting by T.S. Grewal
2. Principles and Practice of Accountancy by R.L Gupta and V.K. Gupta
3. Financial Accounting by S.N Maheshwari
4. Basic Financial Accounting by Bhushan Kumar Goyal
5. Basic Book-keeping and Accounts by L. Cuthbert Cropper

**Accounting Standards:**

1. Compendium of Accounting Standards issued by the Institute of Chartered Accountants of India
2. Uniform Format of Accounts for Central Autonomous Bodies, prescribed by Government of India

## **Group- II**

### ***PC 10: Advanced Accounting and Cost & Management Accounting (Commercial Audit)***

***Duration: 2 hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based/Practical oriented***

#### ***Objectives:***

To examine the candidate's knowledge and understanding of:

- (1) Various accounting concepts, conventions and standards and apply them in preparation and presentation of financial statements and in analysing the inter-relationship between various elements of financial statements
- (2) Cost accounting concepts, elements of cost, costing methods, techniques and their application for managerial decision-making

#### **Detailed Syllabus:**

##### ***Section I--Advanced Accounting***

***(60 marks)***

1. Basic concepts of Accounting: single and double entry, Accounting concepts and conventions, Books of Original Entry, Bank Reconciliation, Journal, Ledgers, Trial Balance, Rectification of Errors, Distinction between Capital and Revenue Expenditure
2. Bills of Exchange
3. Depreciation Accounting
4. Valuation of Inventories
5. Adjusting and closing entries, Manufacturing, Trading, Profit & Loss and Profit & Loss Appropriation Accounts, Balance Sheet
6. Accounts of Non-profit organisations--Receipts and Payments and Income & Expenditure Accounts and Balance Sheet
7. Insurance Claims
8. Accounts from Incomplete Records
9. Royalty and Lease Accounts
10. Company Accounts including Consolidated Financial Statements
11. Accounts of Specialized Entities: Public Utilities Enterprises-- Accounting formats prescribed by Electricity Act (Electricity utilities)
12. Branch and Departmental accounts
13. Concepts of interim reporting, Segment reporting, Corporate Social Responsibility
14. Accounting for Joint Ventures

15. Analysis of Financial Statements: Ratio Analysis, Common-Size Statements, Comparative Statements, Trend Analysis, Funds Flow Analysis/Statements, Cash Flow Analysis/Statements

***Section II—Cost & Management Accounting***

***(40 Marks)***

1. Cost Accounting Concepts
2. Prime Cost: Materials, Labour and Direct Expenses
3. Overheads--Factory Overheads, Office and Administration Overheads, Selling and Distribution Overheads
4. Books of Accounts in Cost Accounting
5. Cost Accounting Records Rules
6. Reconciliation of Cost and Financial Accounts
7. Job, Batch and Contract Costing
8. Process Costing, Operation Costing and Operating Costing
9. Production Accounts and Cost Sheets
10. Marginal Costing, Differential Costs and Cost Volume Profit Relationship
11. Standard Costing including Variance Analysis
12. Capital Budgeting and Discounted Cash Flow Techniques

**Reading Material/ Suggested**

**Advanced Accounting and Cost & Management Accounting:**

1. Advanced Accountancy by R.L. Gupta.
2. Advanced Accounts by Shukla, Grewal and Gupta
3. Advanced Accounting by S.P. Jain and K.L. Narang
4. Advanced Accounts by Karim
5. Basic Financial Accounting by Bhushan Kumar Goyal
6. Companies Act, 2013.
7. Accounting formats prescribed by Electricity Act
8. Advanced Cost Accounting by Saxena and Vashisht
9. Advanced Cost Accounting by S.P. Jain and K.L. Narang
10. Principles and Practice of Cost Accounting by: N. K. Prasad
11. Cost Accounting Records Rules issued by Government of India
12. Cost Audit Standards issued by the Institute of Cost Accountants of India



## **Group- II**

### **PC11- Advanced Government Accounts and Government Accounting Standards**

#### **(Civil Accounts)**

**Duration: 2 hours**

**Maximum Marks: 100**

***Questions would primarily be Case Study based***

#### ***Objective:***

1. To test understanding of Financial Statements / Annual accounts of the States
2. To assess the knowledge of accounting in digital environment
3. To evaluate the understanding of the concept of Natural Resource Accounting and Asset Account preparation
4. To assess the knowledge of Government accounting standards issued by GASAB and Cash based International Public Sector Accounting Standards (IPSAS)

#### **Detailed Syllabus:**

##### **A. Finance and Appropriation Accounts and introduction to CFRA:**

**(Weightage 20%)**

- (i) Time schedule and Instructions for preparation and submission of Accounts
- (ii) Form of Appropriation Accounts, Form of Statement showing grant-wise details of estimates and actuals in respect of recoveries adjusted in accounts in reduction of expenditure etc.
- (iii) Form of the Statements, Appendices, etc. incorporated in Finance Accounts
- (iv) General Checks to be exercised while compiling/ preparing Accounts including checks to be exercised by I.T.A. in scrutiny of Accounts
- (v) Submission of Draft Accounts to Accountant General (Audit)
- (vi) Certificate of the A.G. (A&E) & Certificate of the A.G. (Audit) including emphasis of matter
- (vii) Instructions to be followed in the printing of Accounts, Forwarding of Bond copies to the C.A.G etc.
- (viii) Mandate and details regarding compilation of CFRA, overview and visual presentation – CFRA dashboard

##### **B. Processes in the compilation of accounts by State Accountants General:**

**(Weightage -30%)**

- (i) Duties and powers of the Comptroller and Auditor General in relation to compilation of accounts as provided in the Constitution of India and as laid down in CAG's DPC Act, 1971
- (ii) Delegation of Powers

- (iii) General Instructions regarding procedure of Accounting
- (iv) Debt. Deposit and Remittance Transactions, Review of Balances
- (v) Maintenance of Provident Fund, Pension and Gazetted Entitlement
- (vi) Introduction to Budget Review and State FRBM targets and its application during the compilation of Accounts, surrender, re-appropriation orders etc.

**C. Accounting in digital environment: (Weightage -20%)**

- (i) Basic understanding of functioning of treasuries
  - a. Computerization of treasuries and Introduction to IFMS in the States including the basic modules included (\* different states are in different stages of IFMS maturity). These include Budget Module, DDO/Treasury Module, Human Resource Management Module, e-Receipt/Payment Module, AG Module and any other module specific to state concerned.
- (ii) Transactions with RBI including difference in Cash Balances, flow of e-receipts and reconciliation of Reserve Bank Deposits (RBD) and accounting of various interest-bearing Reserve Funds
- (iii) Treasury inspection in e-environment including checklist to be followed
- (iv) Introduction to PFMS and inputs from PFMS for the relevant Statements/ Appendices of Finance Accounts
- (v) E-Kuber -Government payments/disbursements of RBI through E-Kuber and role of Treasury, DDO, Agency Banks and Accountant General including failed transactions

**D. Natural Resource Accounts and Asset Account Preparation: (Weightage -10%)**

- (i) Sustainable Development Goals related to Natural Resources
- (ii) United Nations -The System of Environmental-Economic Accounting 2012— Central Framework (SEEA Central Framework) – introduction, Resources to be accounted, shortlisted minerals in India for accountal
- (iii) Introduction to Panchamrit – COP26, India's Commitment- National declaration
- (iv) Mandate for imposition of taxes on resources and preparation of Asset Accounts
- (v) Asset Accounting – tables and templates

**E. Government Accounting Standards and Cash based IPSAS: (Weightage -20%)**

- (i) Constitution of Government Accounting Standards Advisory Board (GASAB), structure of the board and responsibilities
- (ii) Indian Government Accounting Standards (IGASs) formulated by GASAB are for cash system of accounting and become mandatory from the effective date after their notification by Ministry of Finance, Govt. of India. IGAS 1, 2 and 3 notified by Government of India and their compliance in Finance Accounts of the states

- (iii) Cash based International Public Sector Accounting Standards (IPSAS) issued by International Public Sector Accounting Standards Board (IPSASB)- Introduction
- (iv) Introduction to accrual accounting in India – limitation of cash-based accounting and advantages of accrual accounting.

**Reading material /Suggested Reading:**

1. CAG's Manual of Standing Orders , Vol I and II (Chapters 1,5,10,11,12,13 and 19 of Vol I and the entire Vol II)
2. Civil Account Manual issued by Ministry of Finance (Chapter 5 and 8)
3. Accounts code for Accountants Generals (All topics except process of compilation, preparation of MCA and forms of Govt. Accounts)
4. Introduction to Indian Government Accounts and Audit by P. Muthuswamy (General reading)
5. Government Accounting – Principles and Practices by R. Ramanathan (General reading)
6. Accounting Rules for Treasuries, 1992
7. Government Accounting Rules, 1990 (Chapters 4,5,6 and 7)
8. Finance Accounts of State Governments available on [www.cag.gov.in](http://www.cag.gov.in) (for formats of Statements/Appendices)
9. Toolkit of PFMS issued by CGA and IFMS issued by various States
10. Documents and guidelines related to e-Kuber issued by RBI
11. Guidelines on Treasury Inspections in e-Environment (Post IFMS) issued by GA wing vide No. 1112/GA-143/2020 date 22/10/2020
12. Hitting the targets \_population and the SDGs (Goals 6,7,12,13,14 and 15)
13. Paper on United Nations -The System of Environmental-Economic Accounting 2012— Central Framework (SEEA Central Framework) (Chapters 1 to 5)
14. Panchamrit COP26 \_National declaration by Prime Minister
15. Concept paper on Natural Resource Accounting in India by GASAB (Chapters 9 and 10)
16. Templates on Asset Accounting on Mineral &Non-renewable energy resources in States (Chapter 6 and 7)
17. Indian Government Accounting Standards (IGASs) issued by Government Accounting Standards Advisory Board (GASAB) (IGAS 1, 2 and 3 available on [www.gasab.in](http://www.gasab.in))

## **Group- II**

### ***PC-12: Performance Audit and Compliance Audit***

***(All branches except Civil Accounts)***

***Duration: 2 hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based***

#### ***Objective:***

*The objective of the paper is to assess the extent to which the candidate has gained knowledge and acquired skills to conceptualise, design, conduct, and report the performance and compliance audits*

#### **Guidelines, Manuals, and other material**

- Performance Audit Guidelines of C&AG
- Compliance Audit Guidelines of C&AG
- IDI's Performance Audit ISSAI Implementation Handbook (latest edition, including its appendices – V1 presently)
- IDI's Compliance Audit ISSAI Implementation Handbook latest edition (V1 presently)
- International Standards of Supreme Audit Institutions (ISSAI) 300, 400, 3000 and ISSAI 4000
- Audit Quality Management Framework Guidelines issued by C&AG
- CAG's Manual of Standing Orders (Audit)
- Budget documents

#### **Detailed Syllabus (Indicative from the above manuals and guidelines)**

##### **Performance Audit (Part I): 40-60 Marks**

- Key principles,
- Strategic Planning Process
- Topic Selection
- Pilot Study,
- Audit Objectives, Approaches, Scope, criteria, and methodology and engaging stakeholders
- Audit risks and assurance
- Audit Design Matrix, Audit Findings Matrix,
- Conducting the Audit, including Evidence gathering and analysis
- Determining Cause and Effect
- Findings, Conclusion and Recommendations
- Reporting and communication style

- Follow-up on audit results
- Audit Outputs, Outcomes, and Impact
- Output- Outcome Framework and Outcome Budget
- Input - Output model and the three Economy, Efficiency, and Effectiveness
- Outputs and outcomes for programs/ schemes and their indicators
- Segregation of functions and monitoring: To check if the different functions— purchasing, providing, regulating, financing, etc. – have been segregated by the government or not
- Data analysis techniques and visualisation:
  - Regression analysis
  - Pareto analysis
  - Identification of critical factors and expenditure commensurate to their criticality
  - Causal analysis
- Alignment of policies and processes: Evaluate if the ecosystem – process, guidelines, policies, programs – is aligned to the targets or not

**Pattern/ Suggested type of Questions:** Of the total, 25% -40 % (of 40-60 marks) marks can test theoretical knowledge through MCQ. The examiner can include topical questions.

The remaining portion can be three- five case studies (PA reports) followed by 10-15 related questions per case study to test the applied knowledge and skills. The PA reports may be chosen from diverse areas – social sector (health, education), infrastructure (transport, power), environment and climate change, financial, industry and corporate affairs. A case study can be on outcome-based audits. We could try to move towards impact evaluation using data analysis also. The examinee can also be made to suggest the scope of improvement in a case study.

### **Compliance Audit (Part II): 40-60 Marks**

- The SAI's organisational requirements for conducting a compliance audit
- Annual Audit Plan for coverage of Compliance Audit
- Planning compliance audits
- Identification of core areas, Citizen centric issues, and impact of non-compliance (So what?)
- Performing Audit Procedures and gathering and evaluating evidence
- Reporting and follow-up compliance audits
- Documentation of Compliance Audits
- Other topics include Audit Risk, Audit approach, Audit procedures, Quality Control, drafting audit reports, and constructive and feasible recommendations.

**Pattern/ Suggested type of Questions:** Of the total, 25% -40 % (of 40-60 marks) marks can test theoretical knowledge through MCQ. Topical questions, especially those highlighted in the media, can be included.

The remaining portion can be two- four case studies (Draft paragraphs) followed by 8-12 related questions per DP to test the applied knowledge and skills of the examinee. The DPs can be chosen from diverse areas and include issues like fraud detection and corruption. The examinee can also be made to suggest improvements in the Draft Paragraphs.

## **Group- II**

### **PC 13: GOVERNMENT BUDGETING AND FLOW OF RESOURCES**

**(Civil Accounts)**

**Duration: 2 hours**

**Maximum Marks: 100**

***Questions would primarily be Case Study based***

#### ***Objectives:***

- To test the knowledge of government budgeting, budgeting process, budget documents and their review
- To assess the understanding of different sources of revenue for Governments, allocation, and flow of resources/funds between Union and/or state governments.

#### **Detailed Syllabus**

##### **I. Government Budgeting (Weightage – 35 percent)**

- a. Government budget – meaning, objectives and components
- b. Constitutional provisions related to budgeting and appropriation of funds
- c. Process involved in the preparation of Government budget
- d. Budget documents presented in Parliament/State Legislature
- e. Budget Review\* including-
  - i. Pre-Budget scrutiny, previous year' comments by Accountant General office on Budget including Responses to the observations/important concerns noticed during last Budget Review,
  - ii. Post Budget scrutiny, Correctness of Classification, Scrutiny of Supplementary Budget.
  - iii. Review of Outside Budget Pronouncements by State Government
  - iv. Review of Budget Speech

(\*Budget Review of State budget to be done jointly by Accountant General Audit and Accounts Offices)

##### **II. Fiscal Responsibility and Budget Management. (FRBM) Act, 2003 (Weightage – 10 percent)**

- a. Objective
- b. Provisions of FRBM Act
- c. Fiscal policy statements under FRBM Act
- d. FRBM Act exemptions/escape clause

##### **III. Government Deficit**

**(Weightage – 20 percent)**

- a. Balanced/Surplus/Deficit Budgeting

- b. Measures of Government Deficit i.e., revenue deficit, fiscal deficit, primary deficit etc. and their implications on fiscal health of governments
- c. Deficit management through internal & external debt
- d. Off budget borrowing

#### **IV. Flow of Resources/funds**

**(Weightage – 35 percent)**

- a. Sources of revenue for Union and State- Union/State/Concurrent List
- b. Financial Relation Between Union and States - Constitutional Provisions
- c. Different Grant-in-aids given by the Union Government to State Governments (ex- Statutory, Discretionary etc.) and/or Panchayati Raj Institutions (ex- tied grants etc.) and related constitutional provisions
- d. Distribution of Tax/ Non-tax Revenues
- e. Article 280- Finance commission
- f. Key recommendations of the latest Finance commission related to devolution of funds/distribution of financial resources to states

#### **Reading material /Suggested Reading:**

1. Constitutional provisions related to budgeting and appropriation of funds- (Articles 112- 117, 202-207)
2. Government Financial Rules 2017 – Chapter 3 Budget Formulation and Implementation, Chapter 9- Grants-in-aid and Loans, Chapter-10 Budgeting and accounting of Externally Aided Projects and Chapter -11 Government Guarantees.
3. Budget Documents including Budget at a glance, key budget documents such as Annual Financial Statements, Demand for grants, Finance bill, Appropriation bill/Act etc.
4. Government Budget Principles and Practice - Dr. C.N. Sudarsanana, Foreword by – Shri T. N. Chaturvedi
5. Fiscal Responsibility and Budget Management Act, 2003
6. Constitution provisions related to financial allocation between centre and state (Article 268-281, 282-291)
7. Latest Finance Commission Report
8. Study of topics related to flow of resources from Union and State Governments i.e., Grants-in-Aid, Compensation of GST, Centrally Sponsored Schemes, Central Assistance, EAP, from the latest report of Finance Commission. Guidelines/ orders issued by Union Government on constitution of SNA.
9. MSO (A&E), Vol. 1, Ch.4
10. Checklist issued by CAG HQs dated 6 April 2022 regarding Budget Review



## **Group- II**

**PC-14: Financial Audit**

**(All branches except Civil Accounts)**

**Duration: 2 hours**

**Maximum Marks: 100**

***Questions would primarily be Case Study based***

***Objective:***

To evaluate the concept, understanding, skills, procedures and methodology for auditing Financial Statements of the Union and state Government, their autonomous bodies and for certification of externally aided projects

To test the knowledge of Government Budgeting and understanding of different sources of revenue for Government, allocation and flow of resources/funds between union and/or state Governments

### **Detailed Syllabus**

#### **I. General understanding of Financial Audit:**

**40 Marks**

- a. Accounting process and classification of Accounts
- b. Materiality and Audit Objectives
- c. Sensitivity and confidence limit
- d. Audit risk and assurance and tests of control
- e. Analytical review procedures and substantive tests
- f. Forming an audit opinion
- g. Format of Financial Statements

#### **I. Financial Audit of Union and State Government:**

**40 Marks**

- a) Various stages and details in audit of Appropriation and Finance Accounts
- b) Orders about treatment of comments on Excess/Savings in the grants
- c) Scrutiny of SCTs in Finance Accounts
- d) Analysis of statements in Finance Accounts
- e) Important recurring issues in the audit of Accounts
- f) Government budget – meaning, objectives and components
- g) Constitutional provisions related to budgeting and appropriation of funds
- h) Process involved in the preparation of Government budget
- i) Budget documents presented in Parliament/State Legislature
- j) Sources of revenue for Union and State- Union/State/Concurrent List
- k) Financial Relation Between Union and States - Constitutional Provisions
- l) Different Grant-in-aids given by the Union Government to State Governments (ex- Statutory, Discretionary etc.) and/or Panchayati Raj Institutions (ex- tied grants etc.) and related constitutional provisions

- m) Distribution of Tax/ Non-tax Revenues
- n) Article 280- Finance commission
- o) Key recommendations of the latest Finance Commission related to devolution of funds/distribution of financial resources to states
- p) Provisions of FRBM Act and Rules

## **II. Audit of Financial Statements of Autonomous Bodies:**

**10 Marks**

- a. Format of Accounts
- b. Relevant provisions of DPC Act
- c. Planning, Execution and Reporting of Audit
- d. Relevant provisions of General Financial Rules

## **III. Certification of Externally Aided Projects:**

**10 Marks**

- a. Objectives of Externally Aided Projects
- b. Format of Accounts
- c. Audit procedure and time schedule for certification
- d. General terms and conditions of the agreement for the implementation of projects

### **Suggested reading material/ references:**

- i. CAG (Duties, Powers and Conditions of Service) Act 1971
- ii. General Financial Rules, 2017
- iii. Central Government Accounts (Receipt and Payment Rules) 1983.
- iv. Delegation of Financial Powers Rules
- v. Government Accounting Rules, 1990
- vi. Civil Accounts Manual
- vii. Financial Attest Audit Manual
- viii. Regulations on Audit and Accounts issued by C&AG
- ix. Manual for Audit of Autonomous Bodies issued by C&AG
- x. Guidelines issued by C&AG on Audit of Externally Aided Projects
- xi. Manual of Standing Orders (MSO) Audit
- xii. Practice Note for Audit of Union government Finance Accounts & Appropriation Accounts (Civil) issued by O/o. DGA(F&C)
- xiii. List of Major and Minor Heads (LMMH)
- xiv. Constitutional provisions related to budgeting and appropriation of funds- (Articles 112- 117, 202-207)
- xv. Budget Documents including Budget at a glance, key budget documents such as Annual Financial Statements, Demand for grants, Finance bill, Appropriation bill/Act etc.
- xvi. Government Budget Principles and Practice - Dr. C.N. Sudarsanana, Foreword by – Shri T. N. Chaturvedi
- xvii. Fiscal Responsibility and Budget Management Act, 2003 and Rules amended from time to time

- xviii. Constitution provisions related to financial allocation between centre and state (Article 268-281, 282-291)
- xix. Latest Finance Commission Report
- xx. Study of topics related to flow of resources from Union and State Governments i.e., Grants-in-Aid, Compensation of GST, Centrally Sponsored Schemes, Central Assistance, EAP, from the latest report of Finance Commission. Guidelines/ orders issued by Union Government on constitution of SNA.
- xxi. MSO (A&E), Vol. 1, Ch.4
- xxii. Checklist issued by CAG HQs dated 6 April 2022 regarding Budget Review

## **Group- II**

### ***PC-15: Entitlement Functions and Treasury Inspection***

***(Civil Accounts)***

***Duration: 2 hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based***

#### ***Objective:***

To test the candidate's understanding of Entitlements of Government Servants and various function of Treasury, their nature and purpose

#### **Section I:**

General Provident Fund, Pension and Gazetted Government Service Entitlements

#### **Syllabus:**

**Weightage: 45%**

1. Chapter-12: Maintenance of Service, Provident and other Funds (except paragraph 12.2 to paragraph 12.9) (*MSO A&E-Vol-I*)
2. Chapter -13: Gazetted Government Service Entitlements (*MSO A&E-Vol-I*)
3. Chapter -14: Pension (*MSO A&E-Vol-I*)
4. Chapter -15: Pre-check for payment of Pension) (*MSO A&E-Vol-I*)

#### **Section II:**

Treasury Inspection

**Weightage: 55%**

#### **Syllabus:**

1. General understanding of various budgeting, expenditure, sanction, receipts, banks modules/packages of IFMS and their interdependencies.
2. Process flow of IFMS used by treasuries and content and purpose of each data entry screen and report.
3. Difference between Treasury Inspection and Audit of Integrated Financial Management System (IFMS)
4. Understanding of data extraction and analytics tool: IDEA
5. Purpose and nature of various registers and records maintained at the Treasury.
6. Pension disbursement function of the Treasury
7. Internal Controls relevant to treasuries
8. CAG's Compliance Auditing Guidelines

### **Reference Books:**

1. General Provident Fund Rules (Central Services) (Swamy's Compilation)
2. Central Civil Services (Pension) Rules, 1972
3. Manual of Standing Orders (Accounts & Entitlements)-Vol-1
4. Accounting Rules for Treasuries (First Edition 1992)
5. Contemporary Auditing by Kamal Gupta (Chapter: 3 Evaluation of Internal controls)
6. General Provident Fund Rules
7. Central Civil Services Pension Rules
8. IFMS user manual
9. Instructions/guidelines/manual issued by CAG on Treasury Inspection

## **Group- II**

### **PC 16 Revenue Audit; Audit of Local Bodies; Public Works Audit**

**(Civil Audit & Local Audit Branch)**

**Duration: 2 Hours**

**Maximum Marks: 100**

**Questions would primarily be Case Study based**

#### **Objectives:**

This being an omnibus Paper of three areas of audit each of which is extensive in itself, the attempt here will be to assess the examinee's understanding of the broad aspects of each of these streams, as well as a few core areas pertaining to each.

To that end, the specific objectives of this Paper will be as under:

**1. Revenue Audit (35 marks out of 100):**

Testing the understanding of basic concepts of Income Tax and GST,

**2. Local Bodies Audit (35 marks out of 100):**

Testing the understanding of the general concepts of Local Bodies Audit, and the legal framework supporting it,

**3. Public Works Audit (30 marks out of 100):**

Testing the understanding of concepts of Contracts Audit, audit of Stores and Stock and aspects of Project Management.

### **1. Revenue Audit Syllabus:**

#### ***I. Income Tax***

- (i) Assessment year, Previous year, Person, Assessee, Charge of income-tax, Income, Gross Total Income, Total income and tax liability, Agricultural Income, Difference between exemption and deduction, Definition of Manufacture, Capital Asset, Company, Fair market value, Capital receipts vs Revenue receipts, Capital expenditure vs Revenue Expenditure, Method of accounting, Residential status of Individual & Company, Relation between residential status and incidence of tax, Receipt & Accrual of income, Income deemed to accrue or arise in India;

- (ii) Income Computation and Disclosure Standards (ICDS):

ICDS I	Accounting Policies
ICDS II	Valuation of Inventories
ICDS III	Construction contracts
ICDS IV	Revenue Recognition
ICDS V	Tangible Fixed Assets

ICDS VI	Effects of Changes in Foreign Exchange Rates
ICDS VII	Government Grants
ICDS VIII	Securities
ICDS IX	Borrowing Costs
ICDS X	Provisions, Contingent Liabilities and Contingent Assets

(iii) Profits and gains of business or profession – Principles and Computation: Chargeability, General principles governing assessment of business income, Method of accounting, Scheme of deductions and allowances, Depreciation;

(iv) Capital gains - Principles and Computation: Meaning of capital asset, Transfer of capital asset, Computation of capital gain, Full value of consideration, Expenditure on transfer, Cost of acquisition, Cost of improvement, indexed cost of acquisition and indexed cost of improvement, Problems on computation of Long Term Capital Gains (LTCG) Tax

## **II. GST:**

- a. Constitutional Aspects, GST Council, Administration of GST, Assessment and Audit, Dual GST Model, GST (Compensation to States) Act, 2017 GST Network,
- b. Levy and collection of CGST & IGST – Application of CGST/IGST law, concept of supply including composite and mixed supplies, inter-State supply, intra-State supply, supplies in territorial waters, charge of tax, exemption from tax, composition levy, Distribution of IGST,
- c. Place of supply, time and value of supply,
- d. Input Tax Credit, Computation of GST Liability, Procedures of GST – registration, tax invoice, credit and debit notes, electronic way bill, accounts and records, returns, payment of tax including reverse charge, refund, job work, Provisions relating to e-commerce, GST Forms (GST REG-01, GSTR 1, GSTR 4, GSTR 10, GST PMT 01, GST-RFD-01, GST ITC-01).

### **❖ The following books/reference material are prescribed:**

- (i) Taxmann's Direct Tax Manual (Vol. I – Acts),
- (ii) Finance Act of the Year (may be read as Finance Act of the Previous year),
- (iii) Income Tax Act, 1961
- (iv) Income Tax Rules, 1962

- (v) Income Computation and Disclosure Standards issued by the Ministry of Finance
- (vi) Taxmann's GST Manual with GST Law Guide
- (vii) Centax GST Law Times (Latest issues)
- (viii) Handbook of GST in India: Concept and Procedures by Rakesh Garg

## **2. Local Bodies Audit Syllabus:**

Provisions of auditing Standards, Guidelines and Manuals, etc. related to Local Bodies Audit:

- (i) 73<sup>rd</sup> and 74<sup>th</sup> Amendments to the Constitution and details thereof,
- (ii) Latest recommendations of Central Finance Commission so far as these relate to Local Bodies only,
- (iii) Auditing Standards for Panchayati Raj Institutions and Urban Local Bodies issued by the C&AG of India,
- (iv) Manual of Instruction for Audit of PRIs issued by the C&AG of India in December 2002.

❖ **The books/reference material prescribed will be the same as above.**

## **3. Public Works Audit Syllabus:**

- Basics of Contract Management including General Conditions of Contract,
- Audit of Contracts,
- Audit of Stores and Stock,
- Aspects of Project Management (Environment Impact Analysis, Detailed Project Report, Land acquisition, coordination with other organisations)

❖ **The following books/reference material are prescribed:**

Comptroller & Auditor Generals Manual of Standing Orders (Audit),  
 Section 2, Chapter 4  
 Section 3, Chapter 7  
 Regulation on Audit & Accounts, 2007, as relevant  
 Relevant Chapters of GFR 2017  
 Project Management: Pradeep Pai (Pearson)



## **Group- II**

### **Revised PC-17: Defence Audit**

**Duration: 2 hours**

**Maximum Marks: 100**

**Questions would primarily be Case Study based**

#### **Objectives:**

- a. To test understanding of the Defence organization
- b. To test understanding of rules & procedures relating to functioning of the defence services & their internal controls
- c. To test understanding of audit process of defence services

#### **Detailed Syllabus:**

- I. Understanding of Defence Organization
- II. Rules & procedures relating to functioning of the Defence Services and their internal controls
- III. Audit process of Defence Services

#### **Section I: Understanding of Defence Organization**

**(10 percent)**

1. Organization of Ministry of Defence
2. Inter Service Organizations of Ministry of Defence
3. Organization of Indian Army
4. Organization of Indian Navy
5. Organization of Indian Air Force
6. Organization of BRO
7. Organization of DRDO
8. Organization of Ordnance Factories (now reorganized as DPSUs)
9. Organization of Defence Accounts Department

#### **Reading material / Suggested Reading:**

- (i) Manual of Audit Department Defence Services Vol. 1.-Part C (9<sup>th</sup> Edition - 2005) - Chapter 25, Section-1 of Chapter 42 (Para 829-835), Chapter 44 (Para 867 to 877)
- (ii) Chapter 5,6,22 & 23 of Manual of The IA &AD, Defence Audit Wing, Air Force and Navy, Vol-II, Second Edition (2010).
- (iii) Defence Accounts Department O.M. PT. I- Chapter I (2014 Edition)
- (iv) Annual Report 2018-19 -The annual report of Ministry of Defence may be referred Where in the Ministry mentions briefly the functions of the Inter-Service Organisations. (The candidates can refer to the latest Annual Reports on the website)
- (v) For MoD, Army, Navy and Air Force:  
www.mod.gov.in

<https://indianarmy.nic.in>  
<https://indiannavy.nic.in>  
<https://indianairforce.nic.in>

(vi) [https:// www.drdo.gov.in](https://www.drdo.gov.in)  
(vii) <https://ddpdoo.gov.in/>  
(viii) <https://www.ddpmod.gov.in/>

## **Section II: Rules & procedures relating to functioning of the Defence Services & their internal controls (60 percent)**

Provisions relating to the following:

1. Defence Service regulations of the Army, Air Force and the Navy
2. Provisions relating to management of cantonments and administration of their land
3. Regulations guiding the MES and provisions governing contracts in MES
4. Provisions relating to works and operational works in defence services
5. Provisions relating to capital and revenue procurements in defence services
6. Provisions relating to management of ordnance factories
7. IFA system in Army, Air Force and the Navy
8. Processes and Procedures in DRDO
9. Processes and Procedures in BRO

### **Reading material /Suggested Reading:**

- (i) Defence Service Regulations: Regulations for the Army Part I & II (Rev. Edn. 1987)
- (ii) Defence Service Regulations: Regulations for the Air Force (Reprinted Edn. 2000)
- (iii) Regulations for Navy Part II: Discipline and Miscellaneous Provisions Regulations
- (iv) 1965.
- (v) Regulations for Navy Part III: Naval Ceremonial, Conditions of Service and Miscellaneous Regulations, 1963.
- (vi) Defence Procurement Manual 2009
- (vii) Defence Acquisition Procedure 2020
- (viii) Regulations for MES 1968 Edn. (Reprint 1982)
- (ix) Defence Works Procedure 2020
- (x) MES Manual on Contracts 2020
- (xi) IFA (Army) Manual 2007
- (xii) IFA (Navy) Manual 2008
- (xiii) IFA (Air Force) Manual 2008
- (xiv) Cantonment Land Administration Rules, 2021
- (xv) The Cantonments Act, 2006
- (xvi) Internal Audit Manual (Chief Internal Auditor (OFs) Kolkata Issued under the Authority of Controller General of Defence Accounts Delhi (in 2014)
- (xvii) Border Roads Procurement Procedure.

- (xviii) Directives for Project Formulation and Management in DRDO ( DPFM-2021)
- (xix) Guidelines on Transfer of Technology
- (xx) Procedures on Technology Development Fund
- (xxi) DRDO Store Management Guidelines
- (xxii) DRDO Procurement Manual 2020
- (xxiii) R &D Construction Establishment Works Procedure.

### **Section III: Audit process of Defence Services**

**(30 percent)**

Provisions relating to the following:

1. Organisation and procedures relating to audit of defence services by IA&AD
2. Organisation of various sections of PCDA/CDA and general instructions relating to Central Test Audit
3. Audit process to be applied during local test audit of various defence services and establishments.
4. Provisions relating to internal audit in defence services

### **Reading material /Suggested Reading:**

- (i) Manual of the Audit Department Defence Services Vol-I Part- A, B & C (9<sup>th</sup> Edition – 2005)
- (ii) Manual of the IA&AD, Defence Audit Wing, Air Force And Navy, Vol-II Second Edition (2010)
- (iii) Manual of the Audit Department Defence Services Vol-III (Ordnance & Ordnance Equipment Factories) Fifth Edn. (2001)
- (iv) Defence Audit Code (2014 Edn.)

## **Group- II**

### ***PC-18: Finance and Communication Audit***

***Duration: 2 Hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based***

#### ***Objective:***

To test knowledge and understanding of (a) systems and procedures followed by the Auditee units under the jurisdiction of O/o DGA(F&C), Delhi and (b) audit procedures to examine revenue recognition and expenditure during compliance and performance audit

### ***Detailed Syllabus:***

- I. Organisational Setup and functions of Auditee Units 25 Marks**
- a. Organization and Functions of F&C Audit wing under the C&AG of India
  - b. Organizations and Functions of Auditee Units under jurisdiction
  - c. General Financial Rules
  - d. Service Rules of respective Ministry / Department / PSU/AB
  - e. Delegations of financial powers of respective Ministry / Department / PSU/AB
  - f. Application of Rules/Acts/Provisions of Audit at all stages
- II. Understanding the rules & procedures relating to functioning of Auditee Units and their internal controls 25 Marks**
- a. Determine Auditable entities, audit units and implementing units
  - b. Preparation of plan for compliance audits, materiality, risk assessment, selection of Units and reporting
  - c. Revenue recognition as well as Expenditure as per the codal provisions
  - d. Auditing standards issued by C&AG
  - e. Provisions of Manuals / Acts /Guidelines of Audit issued by C&AG from time to time
- III. Understanding of Finance and accounts Provisions 25 Marks**
- a. Provisions of Government Accounting Rules, 1990
  - b. Requirement and receipt of funds including Budget formulation of respective units
  - c. General system of Financial Management and implementation
  - d. Accounting Standards issued by Institute of Chartered Accountants of India and IND AS notified by the Ministry of Corporate Affairs
  - e. Accounting policy, Accounting Instructions, Formats of Accounting Records issued by the Ministries / Departments concerned, from time to time

#### **IV. Understanding the Audit analysis and reporting**

**25 Marks**

- a. Provisions of Compliance Audit Guidelines of C&AG
- b. Provisions of Performance Audit Guidelines of C&AG
- c. providing analytical insights
- d. providing an independent and authoritative view or conclusion based on audit evidence
- e. Case study of relevant topics
- f. providing recommendations based on an analysis of audit findings

#### **Suggested reading material/references:**

- 1. C&AG's Manual of Standing Orders (Audit)
- 2. Compliance Audit Guidelines issued by C&AG of India
- 3. Auditing Standards issued by C&AG of India
- 4. Performance Auditing Guidelines issued by C&AG of India
- 5. Internal Control Evaluation Manual of C&AG of India
- 6. Financial Attest Audit Manual of C&AG of India
- 7. General Financial Rules 2017
- 8. P&T Audit Manual (Concurrent Audit)
- 9. Post Office Savings Bank Manual Vol. I
- 10. Post Office Savings Bank Manual Vol. II
- 11. Core Banking Solution (CBS) Manual
- 12. Civil Accounts Manual
- 13. P&T FHB Vol. – I(Chapter-VII)
- 14. P&T Manual Vol – II (Chapter-XII-Budget Estimate and Control)
- 15. P&T FHB Vol. – III
- 16. P&T Manual Vol – X
- 17. Telecom Accounts and Finance Manual
- 18. TRAI Act, 1997
- 19. GST Rules issued from time to time
- 20. Arbitration & Conciliation Act 1996
- 21. Relevant Rules of Companies Act 2013
- 22. Regulations / Policies / Orders / Instructions /Guidelines issued by Ministries / Departments under Audit jurisdiction from time to time
- 23. Standing Order on Role of Audit in Relation to cases of Fraud & Corruption issued by C&AG of India.
- 24. Central Vigilance Commission's Orders issued on procurement made by Government Organizations
- 25. List of Major and Minor Heads of Accounts of Union and States (LMMHA)
- 26. Compliance Audit guidelines issued by C&AG
- 27. Performance Audit Guidelines issued by C&AG

## **Group- II**

### **PC 19: Railway Audit**

**Duration: 2 hour**

**Maximum Marks: 100**

***Questions would primarily be Case Study based***

Sl. No.	Section and Nomenclature of topic	Percentage of allocation of score
1.	Section I – Railway Traffic Revenue	60
2.	Section II - Railway Workshops and Stores Audit	40
	<b>Total Score</b>	<b>100</b>

### **Objectives of this paper are:**

- 1) To test knowledge and understanding of the audit procedures involved in examining revenue recognition and accountal of Railway Traffic Revenue.
- 2) To assess the knowledge and understanding of the rules and procedures governing the functioning of various activities in Railway workshops and production units.
- 3) To assess the knowledge and understanding of the candidate relating to procedures and concepts applicable in the working of Railway's Stores department in performing functions of tendering, purchasing, stocking and accounting of Stores items for railway use and disposal of scrap items.
- 4) To test the understanding of the candidate's knowledge regarding the internal control, accounting and finance functions performed by the Accounts Department in Railways vis-à-vis Revenue receipts, Railway workshops and Railway Stores functions.
- 5) To evaluate the understanding of audit processes applicable to the audit of Railway operations in the fields of traffic revenue, workshops, production units and procurement and disposal of stores.

### **Section I: Railway Traffic Revenue**

**(60 percent)**

1. Provision of following Acts/Rules/Codes/Manuals/Handbooks/orders:

#### **A. Indian Railway Code for Traffic Department (Commercial) :**

1. Organisation and functions of the Commercial Department (Chapter I)
2. Rates and fares (Chapter II)
3. Claims for compensation and for refund of overcharges (Chapter III)
4. Claims for compensation other than those relating to loss etc. of goods and powers of GeneralManager's for making ex-gratia payment to persons involved in accidents to trains (Chapter IV)
5. Railway User's Consultative Council and Committees (Chapter V)
6. Amenities for Railway Users' (Chapter VI)

7. Catering and Vending Services (Chapter VII)
8. Inter modal transport (Chapter VIII)
10. Ticketless Travel its check and prevention  
(Chapter IX) 10. Station outstanding (Chapter X)
11. Wharfage and demurrage (Chapter XI)
12. Mode of payment of railway Freight and other Railway dues (Chapter XII)
13. Registration of indents allotment and supply of wagons (Chapter XIV)
14. Postal Traffic (Chapter XVI)
15. City booking offices and out agencies (Chapter XVII)
16. Sidings (Chapter XVIII)
17. Miscellaneous (Chapter XIX)

**B. Indian Railway Commercial Manual Vol I:**

1. Introductory (Chapter I)
2. Passenger Tickets (Chapter II)
3. Admission to Platforms and Carriage of Passengers (Chapter III)
4. Warrants, Concession Orders, High Official Requisitions and Free Passes, etc. (Chapter IV)
5. Check and Collection of Passenger Tickets (Chapter V)
6. Reservation of berths, seats and compartments and booking of Special Trains (Chapter VI)
7. Initial Accounts and returns for Passenger Traffic (Chapter VII)
8. Booking and delivery of passengers' luggage (Chapter VIII)
9. Booking, Conveyance and Delivery of Parcels Traffic (Chapter IX) 10. Booking of Animals and Birds (Chapter X)
11. Booking of Certain Valuable Articles (Chapter XI)
12. Miscellaneous Traffic (Chapter XII)
13. Initial Coaching Books and Returns (Chapter XIII)

**C. Indian Railway Commercial Manual Vol II:**

1. Booking of Goods Traffic (Chapter XIV)
2. Loading of Goods (Chapter XV)
3. Unloading and re-weighment of Inward Goods (Chapter XVII)
4. Delivery, Rebooting and Diversion of Goods (Chapter XVIII)
5. Railway Materials and Stores (Chapter XIX)
6. Initial Books and Returns in connection with Goods Traffic (Chapter XX)
7. Claims for Compensation and for Refunds of Overcharges (Chapter XXI)
8. Loss of Property and Unclaimed (Chapter XXII)
9. Handling of Goods, Parcels, etc. (Chapter XXIII)
10. Traffic Receipts and Remittances (Chapter XXIV)
11. Sidings (Chapter XXV)
12. Out-Agencies, City Booking Offices and other Ancillary services (Chapter XXVI)
13. Station Outstanding (Chapter XXVII)
14. Catering and Vending Services, Contractual Gesturing and Vending, Departmental Catering and Vending (Chapter XXVIII)

15. Commercial and Accounts Inspections (Chapter XXIX)
16. Miscellaneous (Chapter XXX)
17. Responsibilities of Railway administration as carriers of goods (Chapter XXXI)

**D. IRCA Tariffs – Coaching, Goods, Military, Red Tariff - all Parts and Volumes**

**E. IRCA Conference Rules**

**F. Handbook on Traffic Costing – Railway Board’s publication**

**G. Instructions issued by Railway Board in 1994 for standard method to calculate profitability of a Passenger Train.**

**H. Indian Railway Act, 1989**

**I. Railway Audit Manual – Sixth Edition (June 2022) :**

- i) Chapter 8 – Audit of Commercial Department.
- ii) Chapter 3 – 9.5 – Audit of Traffic Accounts.

***Note: In case of tariffs, the publications in force in the previous financial year will be the reference books in respect of ‘Railway Traffic Revenue’.***

### **Reading material /Suggested Reading:**

1. Indian Railway Code for Traffic Department (Commercial)
2. Indian Railway Commercial Manual Vol. I and II
3. IRCA Tariffs – Coaching, Goods, Military, Red Tariff – all parts and volumes
4. IRCA Conference Rules
5. Handbook on Traffic Costing – Railway Board’s publication
6. Instructions issued by Railway Board in 1994 for standard method to calculate profitability of a Passenger Train.
7. Indian Railways Act, 1989
8. Railway Audit Manual - Sixth Edition – June 2022

**Section II - Railway Workshops and Stores Audit (40 percent)**

### **Provisions of following Manuals/Codes/Standards/Guidelines:**

1. C&AG MSO (Audit), 2002 - Section III - Chapters 19, 20, 21, 22.
2. Indian Railway Code for Mechanical Department - All Chapters (except Chapter X and XI on Foundry Accounts Saw Mill Accounts).
3. Indian Railway Code for Stores Department (Vol. I and Vol. II) – All Chapters



1. Classification of Revenue Expenditure (Appendix-I)
2. Classification of Capital and Other Works Expenditure (Appendix-II)
4. Railway Audit Manual – Sixth Edition – June 2022
  - a) Chapter – 14 – Audit of Stores Dept.
  - b) Chapter - 12 – Audit of Mechanical Dept.
  - c) Chapter -13 – Audit of Production Units.
  - d) Chapter 3 – 9.3 – Stores Accounts
  - e) Chapter 3 - 9.4 – Workshop Accounts

**Reading material /Suggested Reading:**

1. C&AG MSO (Audit), 2002
2. Indian Railway Code for Mechanical Department
3. Indian Railway Code for Stores Department, Vols. I& II
4. Railway Audit Manual- Sixth Edition – June 2022

## **Group- II**

### ***PC-20 Commercial Audit, Commercial Laws and Corporate Tax Laws (Commercial Audit)***

***Duration: 2 hours***

***Maximum Marks: 100***

***Questions would primarily be Case Study based/Practical oriented***

#### ***Objective:***

To test the candidate's understanding of the various Commercial Laws and Corporate Tax Laws and their ability to analyze, interpret and apply the provisions of the legislation to practical situations

#### **Detailed Syllabus:**

##### **I. Commercial Audit:**

**(60 Marks)**

1. Nature and Principles of Auditing, Basic Concepts of Materiality, Risk, Planning, Sampling, Substantive Testing and Analytical Procedures
2. Internal Controls: Nature and Evaluation
3. Audit of Cash Transactions: Receipts and Payments
4. Verification of Assets
5. Internal Audit, Statutory Audit and Government Audit
6. Audit of Financial Statements of Companies
7. Audit of Public Sector Undertakings (Section II, Chapter V of MSO (Audit))
8. Appointment of Statutory and Internal Auditors, their Rights, Duties, Powers Remuneration, Joint Auditors, Branch Auditors
9. Provisions of Companies Auditors' Report Order, 2020 issued under Section 143 (11) of the Companies Act 2013
10. Directions issued under Section 143(5) of the Companies Act, 2013
11. Corporate Governance: Provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
12. Audit Committee: Constitution, Powers and Duties.
13. Provisions of Companies (Cost Records and Audit) Rules, 2014 as amended from time to time
14. Special features of Audit of:
  - a. Finance Companies
  - b. Electricity Companies
  - c. Transport Companies
  - d. Insurance Companies
  - e. Social Sector/Welfare Companies-Section 8 of Companies Act, 2013
15. Audit of Autonomous and Statutory Bodies
16. Role of Audit in Relation to Cases of Fraud and Corruption

17. Audit of Public Private Partnership projects with special emphasis on Concessionaire agreements and sharing of revenue
18. Role of Parliamentary Committees with special reference to Committee on Public Undertakings
19. Auditing Standards issued by the C&AG of India (as amended from time to time):
- Chapter 1: Basic Postulates
  - Chapter 2: General Standards
  - Chapter 3: Specific Standards
20. Standards on Auditing issued by ICAI (as amended from time to time) with special reference to the following Standards:
- (i) SA 200: Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
  - (ii) SA 220: Quality Control for an Audit of Financial Statements
  - (iii) SA 230: Audit Documentation
  - (iv) SA 240: The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
  - (v) SA 300: Planning an Audit of Financial Statements
  - (vi) SA 315: Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment
  - (vii) SA 320: Materiality in Planning and Performing an Audit
  - (viii) SA 450: Evaluation of Misstatements Identified During the Audit
  - (ix) SA 500: Audit Evidence
  - (x) SA 520: Analytical Procedures
  - (xi) SA 530: Audit Sampling
  - (xii) SA 570 (Revised): Going Concern
  - (xiii) SA 700 (Revised): Forming an Opinion and Reporting on Financial Statements
  - (xiv) SA 701: Communicating Key Audit Matters in the Independent Auditor's Report
  - (xv) SA 705 (Revised): Modifications to the Opinion in the Independent Auditor's Report
  - (xvi) SA 706 (Revised): Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report

## **II Commercial Laws & Corporate Tax Laws:**

### **IIA Commercial Laws:**

**(25 Marks)**

Provisions of following Acts:

1. Companies Act, 2013 - Chapter 1 to 4 and chapter 8 to 10 and 12--Rules issued by Ministry of Corporate Affairs relating to these Chapters.
2. The Indian Contract Act, 1872
3. The Indian Sale of Goods Act, 1930
4. Negotiable Instruments Act, 1881
5. Electricity Act, 2003
6. Road Transport Corporations Act, 1950

7. Securities and Exchange Board of India Act, 1992 and Listing Agreement
8. Foreign Exchange Management Act, 1999 (FEMA)
9. Payment of Bonus Act, 1965
10. Employees Provident Funds Act, 1952

**IIB Corporate Tax Laws:**

**(15 Marks)**

1. Corporate Tax- Provision of Income Tax Act relating to Income Tax on Companies including Income Computation and Disclosure Requirements under Income Tax Act 1961
2. Central Goods and Services Tax Act, 2017

**Reading material /Suggested:**

**Commercial Audit:**

1. Contemporary Auditing by Kamal Gupta
2. Auditing and Corporate Governance by A. Kumar, C. Gupta and RJ Arora
3. Audit of Financial Statements by CA Pranav Jain
4. Practical Auditing by BN Tandon
5. Companies Act, 2013
6. Companies Auditors' Report Order, 2020 issued under Section 143 (11) of the Companies Act 2013
7. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
8. Manual of Standing orders (Audit) issued by C&AG of India
9. Internal Controls Evaluation Manual of C&AG of India.
10. Financial Attest Audit Manual of C&AG of India.
11. Standing Order on Role of Audit in Relation to Cases of Fraud and Corruption Issued by C&AG of India
12. Guidelines issued by C&AG of India on Auditing Public Private Partnership in Infrastructure Projects
13. Standards on Auditing issued by ICAI
14. Standards on Auditing issued by the C&AG of India
15. Uniform Format of Accounts for Central Autonomous Bodies, prescribed by Government of India
16. C&AG's Manual of Instructions for Audit of Autonomous Bodies

**Commercial Laws:**

The following Acts (as amended from time to time)

1. Companies Act, 2013 - Chapter 1 to 4 and chapter 8 to 10 and 12--Rules issued by Ministry of Corporate Affairs relating to these Chapters
2. The Indian Contract Act, 1872
3. The Indian Sale of Goods Act, 1930

4. Negotiable Instruments Act, 1881
5. Electricity Act, 2003
6. Road Transport Corporations Act, 1950
7. Securities and Exchange Board of India Act, 1992 and Listing Agreement
8. Foreign Exchange Management Act, 1999 (FEMA)
9. Payment of Bonus Act, 1965
10. Employees Provident Funds Act, 1952

**Corporate Tax Laws:**

1. Direct Taxes Law and Practice, by Vinod K. Singhania
2. Income Tax Act, 1961
3. Goods and Services Tax (GST) Book by CA Vijender Aggarwal
4. Central Goods and Services Tax Act, 2017

## Paper wise Exemption Matrix

<b>Candidate need not appear in:</b>	<b>If he/she has secured exemption in these papers in the earlier SAS Exam:</b>
<b>Group-I: PC-1 to PC-8</b>	
PC-1 Language skills (Common to all branches)	PC-1 – Language Skill (All branches)
PC-2 Government Audit- (Common to all branches)	PC-22 - Government Audit (Civil and Local Audit)
PC-3 Information Technology (Theory & Practical) (Common to all branches)	PC-3 - Information Technology (Theory) (All branches) & PC-4 - Information Technology (Practical) (All branches)
PC-4 Financial Rules, Service Rules and Basic Principles of Government Accounts and CPWA (Civil Accounts and Civil & Local Audit)	PC-5- Constitution of India, Statutes and Service Regulations. & PC-8- Financial Rules and Principles of Government Accounts (Civil Accounts, Civil and Local Audit)
PC-5 Financial Rules, Service Rules and Principles of Defence Accounts (Defence)	PC-6- Constitution of India, Statutes and Defence Service Regulations (Defence) & PC-9 – Financial Rules and Principles of <u>Defence</u> Accounts
PC-6 Finance Rules, Service Rules and Basic Principles of Postal & Telecom Accounts (Finance and Communication)	PC-5- Constitution of India, Statutes and Service Regulations (P&T Audit) & PC-10 - Financial Rules and Principles of <u>Postal</u> Accounts
PC-7 Railway Service Rules, Financial Rules and Principles of Railway Accounts	PC-7- Constitution of India, Statutes and Service Regulations including related Accounts/Audit Procedures (Railway) & PC-11 - Financial Rules, Principles of Government Accounts/Audit and Works Expenditure (Railway)
PC-8 Financial Rules, Service Rules, Basic Principles of Government and PW Accounts and Accounting Standards (Commercial)	PC-5 Constitution of India, Statutes and Service Regulations (Commercial Audit) & PC-12 - Financial Rules, Principles of Government Accounts and CPWA (Commercial)

### Paper wise Exemption Matrix

<b>Candidate need not appear in:</b>	<b>If he/she has secured exemption in these papers in the earlier SAS Exam:</b>
<b>Group-II: PC-9 to PC-20</b>	
PC-9 Basic Financial Accounting and Analysis of Financial Statements (Commercial) (Common to all branches except Commercial branch)	PC-13 – Accountancy (Civil Accounts) or PC-14 – Financial Accounting with elementary Costing (Civil, Local, Defence, P&T and Railway)
PC-10 Advanced Accounting and Costing (Commercial)	PC-15 - Advanced Accounting (Commercial) & PC-20 – Cost Accountancy, Commercial Laws and Corporate Tax (Commercial)
PC-11 Advanced Government Accounts and Government Accounting Standards (Civil Accounts)	PC-21 - Government Accounts (Civil Accounts)
PC-12 Compliance Audit and Performance Audit (Common to all audit branches)	
PC-13 Government budgeting and flow of resources (Civil Accounts)	
PC-14 Financial Audit (Common to all audit branches)	
PC-15 Entitlement Functions and Treasury Inspection (Civil Accounts)	
PC-16 Revenue Audit; Audit of Local Bodies; Public Works Audit (Civil and Local Audit)	
PC-17 Defence Audit	PC-17 – Defence Audit & PC-23 – Contract Audit and Audit Procedures (Defence)
PC-18 Finance and Communication Audit	PC-18 – Postal Audit & PC-24 – Telecom Audit (P & T Audit)
PC-19 Railway Audit	PC-19 – Railway Traffic Revenue & PC-25 - Government Audit including Workshops and Stores Audit (Railway)
PC-20 Commercial Audit, Commercial Laws & Corporate Tax Laws (Commercial)	PC-20 – Cost Accountancy, Commercial Laws and Corporate Tax (Commercial) & PC-26 – Commercial Auditing (Commercial)