



The Forerunner

A newsletter of RTI, Nagpur, Indian Audit and Accounts Department

Twenty Seventh Issue

Apr.'21 - Mar.'22

2021-22

From Principal Director's Desk

Welcome to the 27th issue of 'Forerunner', the newsletter of RTI Nagpur. This institute is nominated as knowledge centre for Central Revenue Audit (including Transfer Pricing) and also for State Revenue Audit. During the period 2008-09 to 2021-22 the institute has developed material on the subject of Knowledge Resource Centre as well as on the other topics, index of which is available on the Institute's Web-site.

We have upgraded our infrastructure in training wing and hostel building. The gymnasium in the hostel building is upgraded with advanced instruments. I am sure that all this infrastructure will be of great utility to the participants. During the year 2021-22, we were facing the fury of COVID pandemic. Despite all the restrictions and hurdles posed, the institute was successful in conducting the courses as planned in the calendar of training for the year. Most of the courses were conducted online and wherever possible, onsite courses were also conducted. During this challenging period, the SAS preparatory training (of 30 days duration) for DRAAOs batch and Induction Course training (of 3 months duration) for the same batch was also conducted, considering the urgency of the said courses. Out of this 3 months training, the Institute with its die hard efforts managed to provide onsite training to the participants for 15 days during the month of November 2021, when the pandemic provided relative respite. During the year, a special course on GST was arranged twice. Also a course on Mid-Career Training Programme (Level 2) was conducted onsite during the month of March 2022. Three STMs have been updated by this institute during the year and sent to Headquarters' office for approval.

This issue contains interesting articles on 'Importance of Environmental Impact assessment and audit thereof', 'Implementing Effective Ethics Standards in Government Departments', 'Government Accounts: Purpose and Divisions', and 'Information Security Incident : How to deal with it?'

The articles will hopefully be useful in widening ideas, considering the present scenario of the government system.

Lastly, through this newsletter, I wish to convey my sincere thanks to all the RAC members and their representative who have attended mid RAC in September 2021 and RAC during March 2022, and provided their valuable inputs towards the cause of strengthening RTI in each sphere. I would look forward to some more suggestions or feedback, if any, for further improvement.

Regards



Praveer Kumar

Our Products

- Newsletter - "The Forerunner" - 26th edition
- Reading material on "Data Analytics - Overview and Techniques"
- STM on "Mid-Career Training Programme" (Level-2)

In this Issue

- From Principal Director's Desk
- Memorable Moments Unfolded
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 - Importance of Environmental Impact Assessment and Audit thereof.
 - Implementing effective ethics standards in Government Department.
 - Information Security Incident : How to deal with it?
 - Government Account: Purpose and Divisions.
- Faculty Support by the Institute to other training institutes/IAAD offices.

The Mandate

Headquarter has declared this institute as a Knowledge Resource Centre in 'Central Revenue Audit including Transfer Pricing' in April 2015 and 'State Revenue Audit' in May 2020 with a mandate to act as a repository of information on the subject through developing quality Reading Material, Case Studies (National and International), Research Papers and database of expert faculty and media reports.

यादगार लम्हे **MEMORABLE MOMENTS UNFOLDED**



DRAAOs (Batch-2017) of F & C Audit with Ms. Sheela Jog, Director General, Shri Praver Kumar, Accountant General (A&E)-II, Mah., Nagpur, Shri R.T. Venkatasamy, Accountant General (Audit)-II, Mah., Nagpur and Core Faculty members on valedictory day (30.11.2021)



Participants of course on Oracle 11g SQL Module-I with Ms. Sheela Jog, Director General and Core Faculty members



Regional Advisory Committee online Meeting (03.03.2022)



Visit to Heritage building the Masons' Hall at Civil Lines, Nagpur on 25.03.2022. Participants of MCTP (Level-2) and Core Faculty members.

यादगार लम्हे **MEMORABLE MOMENTS UNFOLDED**



Ms. Sheela M. Jog, Director General has retired from RTI on 31/03/2022 after eventful career in IA&AD.

Shri Praveer Kumar, Accountant General (A&E)-II, Mah., Nagpur took over the charge of Principal Director, Regional Training Institute, Nagpur from 01/04/2022 in addition to his regular charge.



प्रशिक्षण का मूल्यांकन (**EVALUATION OF TRAINING**)

This institute conducted total 17 General courses which includes 3 months Induction Training course & 30 days SAS Preparatory Training for DRAAOs and 12 IS Based courses during 2021-22 and all courses were graded 4.60 and above out of 5, which is excellent.

Continuing Professional Education (CPE)

(अप्रैल 2021 से मार्च 2022 के बीच संस्थान के संकाय द्वारा प्राप्त प्रशिक्षण)

नाम	विषय	प्रशिक्षण का स्थान
श्री पी.वी. काले, व.ले.अ.प./संकाय	Certificate programme on 'Insolvency and Bankruptcy'	O.P. Jindal Global University, Sonipat, Haryana
	All India Programme on "e-Procurement"	RTI Ranchi
	Training on 'Information System Audit' (C6 paper of CPD III exam)	iCISA, Noida
श्रीमती वी.एस. रेड्डी, व.ले.अ.प./संकाय	Certificate programme on 'Training Need Analysis'	O.P. Jindal Global University, Sonipat, Haryana
	Training on 'Information System Audit' (C6 paper of CPD III exam)	iCISA, Noida
श्री जी.के. ओमी, स.ले.अ.प./संकाय	Big Data Analytics in Government (Basic)	ISTM, DoPT, Government of India
	Training Programme on "Advanced SQL and PL/SQL"	RTC, Bengaluru
श्री बी.एन. अंबाडे, स.ले.अ.प./प्रशासन	All India Programme on "e-Procurement"	RTI Ranchi

Honesty is the first chapter in the book of wisdom.

- Thomas Jefferson

Importance of Environmental Impact Assessment and Audit thereof

AG (Audit)-II, Maharashtra is conducting an independent Performance Audit on "Role of Maharashtra Pollution Control Board in prevention and control of pollution in Maharashtra".

It is very clear that CAG is focusing on environmental issues right from more than a decade when environment and climate change auditing guidelines were issued by the then CAG Shri Vinod Rai on 03.08.2010.

The reason for emphasising on environment audit is day by day increase of pollutants in air, water, soil, coastal areas in addition to hazardous wastes, e-wastes, biomedical wastes etc.

To prevent and control release of these toxic wastes in atmosphere, various laws regulations, international treaties have been promulgated but the need is to see that they are followed strictly.

In this article an attempt is made to explain one such assessment.

Environmental Impact Assessment (EIA) regulatory requirement and environmental management plan.

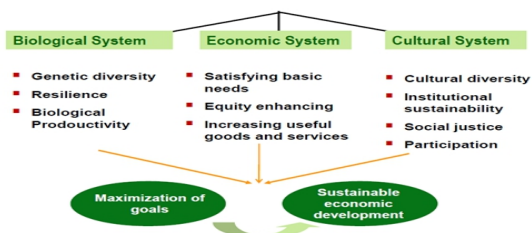
Constitution has provisions for environment protection as follows.

Article 48A : The state shall endeavour to protect and improve the environment and to safeguard the forests and wildlife of the country.

Article 51A : It shall be the duty of every citizen of India to protect and improve natural environment including forests, lakes, rivers and wildlife and so have compassions for living creatures.

EIA is a tool for sustainable development keeping in view the environmental needs of future generations.

EIA- A Tool for Sustainable Development



EIA Notification was issued on 14th September 2006 which consists of

- Standard terms of reference (ToR) for EIA/EMP reports for projects/Activities requiring environment clearance under EIA notification 2006.

- NABET (National Accreditation Board for education and training) version 3 scheme for EIA consultants – June 2015

The projects for central and state Government are categorized as follows:
Category A Project requires prior environmental clearance from Central Government.

Category B projects requires prior environmental clearance from State environmental impact Assessment Authority.

National Environmental Engineering Research Institute (NEERI) EIA studies show various functional areas as follows:

EIA Studies

- > Air Environment
- > Water Environment
- > Land Environment
- > Biological Environment
- > Noise Environment
- > Socio-economic Environment



Functional Area (FA)
Land Use (LU)
Air Pollution (AP)
Air Quality (AQ)
Water Pollution (WP)
Ecology and Biodiversity (EB)
Noise and Vibration (NV)
Socio-Economics (SE)
Hydrology (HG)
Geology (GEO)
Soil Conservation (SC)
Risk & Hazards Management (RH)
Solid and Hazardous Waste Management (SHW)

For EIA NEERI uses following methodologies

- Project setting
- Assessment of Baseline environmental status
- Identification of potential impacts project specific and site specific
- Prediction of Impacts.
- Evaluation of Impacts/ Environmental Impact statement.
- Evaluations of existing pollution control measures and environmental management practices (Only for expansion/ Modernization projects)
- Environment management plan (EMP) including post project environmental monitoring.

The above criteria are taken as benchmark by CAG auditors for conducting Compliance Audit, Financial Audit, Performance Audit and Outcome Based Audit on the subject.

The environmental audit is still in its initial stages which will definitely pick up in coming years due to its impact on life on earth especially on humans.

Implementing effective ethics standards in Government Department

As we say that democracy is the system **'Of the people, by the people and for the people'**, for making the government machinery more effective, impartial and transparent, it is need of the hour to set and institutionalise high standards of ethical conduct, integrity and good governance in entire government system. For making the relevant Code of Ethics and Conduct more effective, it need to be supported by a range of other mechanisms, continuous trainings, effective leadership etc.

In today's society there are increasing expectations that the Government will establish and deliver higher standards of ethicality and integrity in civil services and agencies of government. Society want to see an end to the corrupt practices.

Considering the significant progress made in recent years in developing effective Civil Service Ethics, Code of Conduct, transparency measures, Ethics and Integrity systems, Investigating Agencies, there is now need to concentrate on other areas of concern, in particular, which are directly relevant to the problems of internalising integrity and ethics in democratic governments and the civil service.

Following areas of concern need to be attended to:

1. Anticipating specific threats to ethics standards and integrity in public sector: Attention need to be paid to systemic threats that could weaken adherence to core public sector ethics values, and commitment to good governance.

2. Strengthening the ethical competence of civil servants and strengthening mechanism to support professional ethics: New techniques need to be undertaken to institutionalise ethically competent decision making and ultimately an ethical culture which supports professional responsibility, self-discipline and support for the rule of law.

3. Developing administrative practices and processes which promote ethical values and integrity : New Pro-ethics laws require effective implementation

through effective performance management techniques which support the entrenchment of the ethical values set out in Civil service code of ethics.

Following specific strategies can be considered for inclusion in the system :

- Effective laws which will require civil servants to give reasons for their official decisions
- Management approaches which encourage all public officials and civil servants to deal positively with corruption and unethical practices when they encounter it
- Providing complete protection to 'whistle blower'
- Ethics audit to identify risks to the integrity of the sensitive and important processes like financial management, procurement of goods and services, recruitment and promotions, disciplinary actions etc.
- Introducing new Human Resource Management strategies like rewarding ethical performances by advancement in career, merit based incentives, anti-discrimination protections and treating ethical under performance with penal actions etc.
- Continuous motivation through training and developments in the content and rationale of Ethics codes, the application of ethical management principles, the proper use of official power and the requirement of professional responsibilities
- Create fear free atmosphere for effective external and internal complaint and transparent redress procedure thereof.

Mere publishing a Code of Ethics, by itself, will achieve a little unless it is supported by the meaningful and enforceable Ethics code linked to the systematic practices and procedures based on legislation and backed by management leadership and high level commitment. In addition, motivation through continuous trainings will be advantageous.

Information Security Incident: How to deal with it?

An information security incident is a suspected, attempted, successful or imminent threat of unauthorized access, use, disclosure, breach, modification or destruction of information; interference with information technology operations; or significant violation of responsible use of policy.



Today we all are living in cyber space. We are surrounded with lot of data and information.

When we are holding this much of information with us all the time, it is imperative for all of us to be well informed about information security so that in case some thing goes wrong, we should be aware of immediate steps to be taken and the points of approach.

Either in our personal or in official capacity, if we face any information breach incident or simply say cyber-attack then first question would be how to identify that you have been attacked. And if you identify then next question would be how to respond it. In all such events, rapid and thorough incident response is essential to minimizing the threat and safeguarding our critical systems and data. Time compounds the problem and any delay or inefficiency will only increase the damage and losses from a security breach.

You may be aware of NIC-CERT - Computer Emergency Response Team. NIC-CERT Division, was constituted with an objective of acting as a single point of contact for responding, reporting and managing any information security incidents, vulnerabilities, advisories and co-ordinate with multiple stakeholders.

We being in Central Government Department, are one of the stakeholders of NIC-CERT. We can approach NIC-CERT division for any information security related matters.

NIC- CERT has also developed Information Security Incident Management Policy. The purpose of this policy is to ensure that all stakeholders are fully aware and understand the necessary process to be followed in case of an information security incident Also to ensure that all information security incidents are duly reported to NIC-CERT and the same is documented and recorded.

This policy is applicable to us as we are using NIC's network and other services in our department. To answer the question

raised above that is how to identify that Information Security incident has occurred and you have been attacked, few examples are illustrated here. But before you read these examples you should keep in mind that security incidents are not limited to these examples only. You know that intruders adopt new ways to target any information system and we must keep ourselves updated.

- 1) Website defacement
- 2) Denial of Service (DoS) or Distributed Denial of Service (DDoS)
- 3) Unauthorised access or modification of Data or network or systems or services or programs
- 4) Violation of NIC's policies, processes, guidelines etc
- 5) Violation of Legal Statutes and regulations (like IT Act, Aadhaar Act etc.)
- 6) Loss or Theft of equipment on which data is stored (Ex: Hard disk, removable media, Server etc.)
- 7) Social engineering (Ex: Phishing, Spam, spoofing tele-calls, etc.)
- 8) Advance Persistent Threats
- 9) Ransomware Infection
- 10) Malware/Virus/Trojan/Worm-Outbreak
- 11) Data Exfiltration (Unauthorised copying/Transferring of data to external network/internet)
- 12) Hacking/Intrusion
- 13) Disclosure of sensitive data in public domain (Ex: display of personal information of citizens like bank records, date of birth etc in public domain)
- 14) Unauthorised scanning (both horizontal and vertical) of NIC's Network.

If we detect or observe any of the above incidents or any similar incident, then we should immediately report it to our IS Wing and to NIC-CERT. Here are the different options to contact NIC-CERT Helpdesk:
Phone : 24x 7 Toll Free number 011 – 22900 350, 1800 111 555

Incident Response Email Id :-

incident@nic-cert.nic.in

We can also create a ticket at NIC's Service Desk on url <https://servicedesk.nic.in>

References:

- a) Definition from [Responsible Use of Information Resources \(SPG601.07\)](https://spg.umich.edu/policy/601.07). <https://spg.umich.edu/policy/601.07>
- b) Image source <https://www.elmhurst.edu/blog/cybersecurity-vs-information-security/>
- c) NIC-CERT Information Security Incident Management Policy Ver-1.0 (Date of Release Nov-2017)



Government Accounts: Purpose and Divisions

The purpose of Government Accounting: The first purpose of accounting in government is to know the revenues (tax revenues as well as non-tax revenues) collected during a year. This information is also necessary to make decisions about practicability and desirability of increase or decrease in revenues, estimation of revenues in future years, trend analysis of revenues etc.

The second purpose is to know the expenditure on different items. The Parliament and the State Legislatures having authorized the respective Governments to spend different amounts on different activities, should know the actual expenditure on each of the activities.

The third purpose is to ascertain how much loans and deposits Government has to pay to its creditors and how much Government has to receive from its debtors. Governments also resort to borrowings on the security of its Consolidated Fund. These borrowings have impact on the national economy, national wealth, and availability of money supply in economy and resultant impact on employment and inflation. Since borrowings impact economy for a long period of time details in this regard are studied carefully by economists and economic advisors. Similarly, in case of lending it is used to manage cash requirements and watch future receipts. This is made possible by adoption of a systematic classification of transactions, their consolidation and their presentation in a useful manner.

Period of Accounts: The annual accounts of the Central Government, the State Governments and of Union Territories shall record transactions, which take place from 1st April to 31st March of the following year.

The Government Accounts of a year may be kept open for a certain period beyond 31st March for completion of various accounting processes in respect of the transactions of March, certain inter-departmental adjustments and several provident funds and suspense heads. Adjustments may also be made after the close of the year for the rectification of erroneous postings and misclassifications coming to notice after 31st March. An actual cash transaction taking place after 31st March should not, however, be treated as pertaining to previous

financial year even though the accounts for that year may be open for the above mentioned purposes.

Cash basis of accounts: The transactions in Government Account shall represent actual cash receipts and disbursements during a financial year as distinguished from amounts due to or by the Government during the same period. Some book adjustments, as may be authorized by rules by any general or special orders issued by the Central Government on the advice of the Comptroller and Auditor General of India are, however, allowed to be carried out in the accounts.

Currency of the Accounts: The Accounts of the Government shall be maintained in Indian currency, i.e. in rupees. All transactions of the Central and State Governments taking place in other countries shall be passed on by the Indian Embassies/Mission to India monthly and shall be brought to account finally in the Indian books after converting into Indian rupees.

Main Divisions of Accounts: Part XII of the Constitution of India (Articles 266 and 267) provide for the establishment of:

- a. The Consolidated Fund of India and the Consolidated Fund of each State
- b. The Contingency Fund of India and Contingency Fund of each State
- c. The Public Account of India and the Public Account of each State

Consolidated Fund of India and that of the States: As per the Article 266 (1) of the Constitution of India Subject to the provisions of Article 267 of the Constitution (relating to Contingency Fund) and also subject to the provisions of the Constitution relating to the assignment of the whole or part of the net proceeds of certain taxes and duties to States, all revenue received by the Government of India, all loans raised by that Government by issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled as 'The Consolidated Fund of India'. Similarly, all revenues raised by the Government of a State, all loans raised by that Government by issue of treasury bills, loans or ways and means advances and all moneys received by that

Government Accounts: Purpose and Divisions

Government in repayment of loans shall form one consolidated fund to be entitled 'The Consolidated Fund of the State'. No money out of the Consolidated Fund of India or the Consolidated Fund of a State shall be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.

Contingency Fund: Under article 267 of the Constitution, Parliament may by law establish a Contingency Fund in the nature of an imprest to be entitled 'The Contingency Fund of India' into which shall be paid from time to time sums (from Consolidated Fund of India) as may be determined by law, and such Fund shall be placed at the disposal of the President to enable advances to be made by him out of such fund for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by Parliament by law under relevant articles of the Constitution.

Similarly, article 267 (2) provides that the Legislature of a State may by law establish a contingency fund in the nature of imprest into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the Governor of the State to enable advances to be made by him out of such fund for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by the Legislature of the State by law under Article 205 or Article 206 of the Constitution.

Public Account of India and of the States: As per the provisions of article 266 (2) apart from the money creditable to the Consolidated Fund of India or to the Consolidated Fund of a State, all other public moneys received by or on behalf of the Government of India or the Government of a State shall be credited to the Public Account of India or the Public Account of the State, as the case may be.

Faculty Support by the Institute to other training institutes/IAAD offices

नाम	विषय	संस्थान/कार्यालय का नाम
श्री पी.वी. काले, व.ले.अ.प./संकाय	RTI Act, 2005	O/o the AG (Audit)-II, Nagpur
	Writing of APAR	O/o the AG (Audit)-II, Nagpur
श्रीमती वी.एस. रेड्डी, व.ले.अ.प./संकाय	C & AG's DPC Act, 1971	O/o the AG (Audit)-II, Nagpur
	Legal Work	O/o the AG (Audit)-II, Nagpur
	Office Procedure	O/o the AG (Audit)-II, Nagpur
श्री एस.आर. गायकवाड, व.ले.अ.प./संकाय	Role of Audit in relation to cases of Fraud and Corruption	O/o the PAG (Audit)-I, Gwalior
श्री जी.के. ओमी, स.ले.अ.प./संकाय	National Training Programme on 'KNIME and Data Analytics using Statistical Concepts'	iCISA, Noida
	Training Programme on 'Data Analytics' for officers of SAI, Jamaica	iCISA, Noida
	e-ITEC Multilingual Training Programme on "Auditing in IT Environment" for officers of different SAI Countries.	iCISA, Noida
	Training to AAOs for Promotion as SAO	O/o the AG (A & E)-II, Nagpur

Honesty is more than not lying. It is truth telling, truth speaking, truth living and truth loving.

- James E Faust



संपर्क करें
Contact us

email : rtinagpur@cag.gov.in

Ph. : (0712) 2545420, 2561635, 2545816

Fax : (0712) 2562577, Hostel - 2552252

Web : <https://cag.gov.in/rti/nagpur/en>