



**Post Graduate Diploma  
in  
Government Accounting & Internal  
Audit**

**Syllabus**

**Arun Jaitley National Institute of Financial  
Management**

**Faridabad (Haryana) India - 121001**

**<http://www.nifm.ac.in>**

**First Term**

### **Modern Manager**

1. Fundamentals of HR Management- Principles & Styles & Management Skills.
2. List of principles for Fixation of seniority promotion and confirmation.
3. Describe the procedure for conducting DPC and preparation of select lists.
4. (a) Describe the general conditions for grant of leave; (b) List of various kinds of leave under CSS (Leave Rules); (c) Describe salient features of eligibility conditions for leave of given kind; (d) calculate leave accrued to an employee during a period in a given situation.
5. Service Book on appointment of an employee and how to maintain the Service Book and Making entries at appropriate time.
6. Awareness about various options to be exercised by Government Servant for optimizing pension at the time of exit under NPS.
7. Procurement of Human Resources- Procedure.
8. Development: Career Planning and Development, Employee Training, Executive Development, Internal Mobility and Retirement.
9. Performance Appraisal (APAR)- Guidelines for filling Self-Appraisal, Reporting and Reviewing. Reflection of Utilization of GeM in APAR
10. Understanding/ interpretation of RRs and creation of Post. Noting & Drafting.

## **Accounting for Managers**

### 1. Conceptual Framework of Accounting:

Users of Financial Statements; Qualitative Characteristics of Financial Statements; True and Fair View; Accounting Policy; Accounting Standards; Accounting Standards Disclosure of Accounting Policies (AS 1 and Ind AS 1); Capital of a Firm; Structure of Business Firms; Objectives of Corporate Financial Reporting; Components of Financial Statements and Accounting Conventions.

### 2. Balance Sheet

Accounting Equation; Current Liabilities; Non-Current Liabilities; Secured and Unsecured Liabilities; Classification of Liabilities; Accounting Standards Contingencies and Events; Occurring after the Balance Sheet Date (AS-4 and Ind AS 10); Balance Sheet Structure; Assets; Current Assets; Non-Current Assets; Classification of Assets; and Liabilities. Case Study of Annual Financial Statement of one Autonomous Body & One PSU

### 3. Audit of Financial Statement

Internal Control of Financial Reporting; Audit trail; Steps & Phases of Audit and Case Study of Audit Report of one Autonomous Body & one PSU

### 4. Accounting Structure for Local Bodies

Urban & Panchayat Accounts; Integration with PFMS and G-20 commitments regarding accounting for GoI

### 5. Asset Accounting

Depreciation Accounting; Fixed Assets Accounting (including a brief introduction to Impairment); Accounting Standards on Depreciation Accounting (AS6) and Accounting Standards on Accounting for Fixed Assets(AS10) and Property, Plant and Equipment (Ind AS 16)

## **Public Financial Administration**

1. Public Finance
  - Theories & Principles
  - Fiscal functions
  - Public financial administration in federal set up
2. Budgeting
  - Objectives & types of budget
  - Budgeting Process – Central & State Governments
  - Constitutional provisions for preparation and presentation of Budget
  - Finance Act & Appropriation Act
  - Accounting and Economic Classification
  - Approaches to budgeting – Performance Budgeting & Outcome Budget & gender Budgeting
  - Budgetary Reforms & new initiatives
3. Public Expenditure
  - Management and control
  - Contemporary issues
  - Trends in public expenditure
  - Classification of public expenditure
  - Expenditure Reforms Commission
  - Role of Accountants in Budget Execution & Management
  - SBE & Detailed Demand
  - Preparation of Outcome Budget
  - Public Debt
  - Budget instruments: Re-appropriation rules, Supplementary, New Service and New Instruments of Service, Surrender Orders
  - Budget & Accounting for externally Aided Projects, Use of CSDRMS(Commonwealth Secretariat Debt Recording & Management System)
4. Public Debt
  - Meaning and types: External & Internal Debt
  - Borrowing powers of Union and States
  - Role of RBI Public Debt Management in India
5. Fiscal Policy
  - Objective
  - Finance Commission
  - Parliamentary Financial Committee
  - Fiscal Policy and Developing Economy
6. Fiscal responsibility and FRBM Act

## **Introduction to Information and Communication Technology**

### 1. Information and Communication Technology, an overview

Introduction to ICT; overview of basic hardware and software components of a computer such as central processor, hard disk, memory, storage; operating system, application software; role of these components in smooth functioning and performance of a computer;

Basics of networking and different types of networks: LAN, WAN, Internet; various ways of connecting to the internet: overview of concepts such as dial up, leased line, satellite based connectivity; overview of the existing internet connectivity models in the country such as NICNET, SWAN, VPN, MPLS, Dongles.

Overview of use of internet in day to day office work; effective navigation, search and data download on the internet, different way of sending emails(web based, outlook etc.) overview of basic concepts such as world wide web (WWW), http, https etc. which are of relevance to the internet.

*Note: this unit required only to set the context and provide overview so the number of lectures (i.e. the time spent) on this unit must be half of those on the other units in the course.*

### 2. Office management applications

Overview of commonly used office management applications such as MS Word, MS Excel, MS PowerPoint and MS Project. Advanced features of office tools - MS Word for documentation, especially report/note writing purposes; MS Powerpoint for effective presentations: appropriate use of text, graphics, audio, video, animation, hyperlinks, action buttons. Overview of the concept of different versions of office tools and forward and backward compatibility.

### 3. Use of Excel for effective data management

Overview of features of excel; use of formulas in excel; use of simple functions in excel; use of simple macros in excel; how to prepare and use complex interlinked workbooks

Application of excel in effective analysis and presentation of expenditure, receipt and accounting data as used in day to day office work.

Note: This unit must be delivered with practical examples and home assignments for each individual item such as word, power point and excel. In particular, excel teaching should have several practical hands on session in the computer lab.

### 4. E-office: towards a paperless office

Overview of the key features of E-Office application of Government of India; introduction to different modules of E-Office; electronic file movement, electronic document management system, workflow automation, electronic messaging, personnel management and information systems.

Note: the objective of this unit is to acquaint the trainees with the E-Office application of Government of India (GoI) so that they can effectively contribute to its implementation in their respective offices and also to develop the skills and attitudes needs for creating paperless offices in GoI.

5. PFMS: All Modules – PAO, Pr.AO, GPF, EIS, Pension, CDDO, NTRP, Monthly Accounts Consolidation etc.
6. EAT Module

## **Internal Audit Activity- Its Role in Governance, Risk and Compliance**

1. Introduction to Internal Audit Basic Framework: Definition of internal audit, Role and responsibilities of internal audit function, Organization of internal audit function in Government setup(Purpose, Authority and Responsibility), Compliance with code of ethics and ethical standards, Introduction to performance audit.
2. Introduction to IIA standards on Internal Auditing: Role of a comprehensive set of auditing standards, Application of auditing standards in the audit engagements, IIA Attribute Standards, Internal Audit Charter, Understanding of independence and objectivity in the context of internal audit organization and also in the context of individual engagements, Understanding of proficiency, competencies and skill sets required for audit engagements, Exercising Due professional care, promoting continuing professional development, Promoting quality assurance and improvement of internal audit activity.
3. Internal Controls/Risk Frameworks: Role of controls frameworks, Types of controls (preventive, detective etc.), Introduction to control frameworks (COSO, COCO), Application of control frameworks, Risk management and control, Fraud risk awareness and its role in audit engagements (Red flags and extent to which this aspect needs to be looked into).
4. Conducting Internal Audit Engagements: Literature survey for the audit engagement (Background research), Developing checking/questionnaires, Interaction/meetings to get a basic idea about the audit subject, Data gathering, Establishing engagement objectives, criteria and scope of the engagement, Determine engagement procedures and engagement work papers, Process mapping/flow charting, analysis of audit subject with regards to prescribed procedures and policies, collection of evidence for audit findings. Types of audit engagements (Compliance audit, Financial audit, Operational audit engagements with regards to efficiency and effectiveness, information and related technology audit, Integrity services etc.).
5. Data Analytics/Sampling for Analyzing Audit Subject: Use of computerized audit tools and techniques e.g. data mining and extraction, data analysis, conducting spreadsheet analysis, use of analytical review techniques (e.g. ratio estimation, variance analysis, budget vs. Actual, trend analysis etc.), Sampling techniques, Statistical and Judgmental sampling.
6. Communicating Audit Result (Reporting on engagement performed): Report writing basics, Use of 5Cs in report writing (Criteria, Condition, Cause, Consequence, Corrective action), obtaining management response on audit observations/report, incorporation of management response in audit report, Attributes of good audit reports.
7. Fraud Risk Assessment: Common fraud risks related to engagement area, Determine if the fraud risk requires special consideration while conducting audit engagement, Basic audit tests to detect fraud.
8. Government Auditing Environment: Basics of Government budgeting and accounting, Basics on Procurement processes and manual, Financial Rules, Basics of Contracts Management.



## **Second Term**

## **Government Audit-Emerging Issues**

### 1. Audit Framework in Government of India:

Statutory Audit, Internal Audit, Internal Control, Difference between Statutory and Internal Audit, Difference between Internal Audit & Internal Control. Process of Internal Audit: Internal Audit memo, Para, Report, Draft Audit Para, Audit Para, Audit Reports presented to Parliament, Action Taken Notes (ATNs), PAC/COPU Paras, Action Taken Reports (ATRs), Audit Para Monitoring System (APMS), Standing Audit Committee (SAC).

Role of Internal Audit: Assurance Service, Consultancy Service and adding value, Role in Good Governance.

Regulatory/ Compliance & Risk Based Audit.

### 2. Types of Audit:

Statutory Audit, Internal Audit, Government Audit, Cost Audit; Management Audit; Compliance Audit, Social Audit, Environment Audit., Expenditure Audit, Receipt Audit, Special Audit, Scheme Audit, Risk Based Audit, Investigative Audit to detect fraud, Performance Audit, Value for money audit- Economy, Efficiency and Effectiveness, Grantee Institutions/ Autonomous Bodies/ NGOs Audit, IT Audit; covering definitions, objectives, approach methodology and case studies and gender audit.

### 3. Techniques and Methodologies:

Physical Inspection, verification, test checking, Observation, Inquiry, Confirmation, Computation and Tracking Book Keeping/Record maintenance procedures, Analytical Procedures, Selection of Audit Techniques with Practical case studies/ examples. Sampling, data collection techniques, quantitative techniques, qualitative techniques, case studies.

### 4. General Principles of Transaction Audit

Vouching, Payments and Receipts, Physical Verification of Stores (Consumable and non-consumable goods).

### 5. Procurement & capital Expenditure Audit:

Procurement Audit

- Procedural and regulatory framework of Public Procurement, CVC guidelines on Public Procurement
- Areas to be seen on procurement of Goods, Works and Services, Small value procurements
- Contract Management Audit
- E-procurement, Capex Audit: Infrastructure/ Construction/ Machinery & Equipment
- Overview of procurement through DGS&D

### 6. Code of Ethics for the Internal Auditing in Government

## 7. Internal Audit Process

- Process, Audit Plan, Audit Programme
- Constitution of Audit Party
- Audit Questionnaire, Audit Engagement
- Managing entry meeting
- Designing patterns of communication
- Identification of possible barriers.
- Interpersonal skills and interview strategies
- Do's and Don'ts, Audit memos
- Audit evidence, Drafting of Audit Paras.
- 5C of Audit paras, Planning exit meeting
- Drafting of Audit Report
- Standard format of Audit Reports
- Audit Compliance, Internal Audit Annual Review and Sharing of best practices.

## 8. Internal Audit Report:

Prerequisites and essential features of good audit report, format of audit report, basic elements of internal audit report, drafting audit/findings and report, 5Cs report, follow up action, case studies.

- Audit Report writing tasks, Components of Audit observations, Organization of Audit observations
- Audit Report Structure, Quality of Reporting.

## 9. Standards of Internal Audit:

Exposure to standards & Guidance frameworks of ICAI, IIA & INTOSAI.

## **Government Accounting- Contemporary issues**

1.

- Features of Govt. Accounting
- Accounting in Govt.- Origin Development & departmentalization of accounts
- Structure and form of Govt. Accounts, Consolidated fund, Contingency fund and Public Fund & GAR

2.

- Classification of Govt. Accounts (LMMH), including practical, Constitutional Provisions
- Payment System: Functions of DDOs & controlling officers, preparation of bills, Pre check of Bills and payment in the PAO, methods of Payment, Banking arrangements, Focal point banking system. Personal Account, concept of accounting procedure PAO 2000, Electronic Payment system, Accounting Procedure-Reserve & Deposits

3.

- Central Govt. (Receipt & Payment Rules)
- Transfer Entries Adjustment
- Rectification of Errors, Journal Entries

4.

- Appropriation Accounts Purpose Use Compilation Consolidation

Finance Accounts Purpose Use Compilation Consolidation

## **Government Accounting and Management Accounting**

1.
  - Introduction to Cash Based IPSAS
  - Introduction to Accrual Based IPSAS
  - Brief overview of IPSAS
  - Indian Accounting Standard & Role of GASAB
  - IMF Data GAP initiative in Government Accounts
  - Introduction to Management Accounting
2. Contemporary Experience in Government Accounts: Accrual/Cash Accounting for Management.
3. Introduction: Accounting for Management, Role of Cost in decision making, Comparison of Management Accounting and Cost Accounting, types of cost, cost concepts, Elements of cost- Materials, Labour and overheads and their Allocation and Apportionment, preparation of Cost Sheet, Methods of Costing, Reconciliation of Cost and Financial Accounting.
4. Marginal Costing: Marginal Costing versus Absorption Costing, Cost-Volume- Profit Analysis and P/V Ratio Analysis and their implications, Concept and uses of Contribution & Breakeven Point and their analysis for various types of decision- making like single product pricing, multi-product pricing, replacement, sales etc.

## **Information System for Managers**

1. Digital Banking- what is meant by Electronic/ Digital banking; strategic objectives of electronic banking: Retail Banking, E-Commerce; Overview of Electric Clearances Systems, concepts such as NEFIT, RTGS; Core Banking Solution (CBS) mobile banking.

Note: the objective of this unit is to acquaint the trainees with the basic concepts on electronic banking technologies. This is in context of the various ePayment and eReceipt applications of GoI which interface with the banking applications for conducting financial transactions.

2. General Data security concepts with specific reference to PFMS, Overview of Data security; Elements of application and data security; overview of concepts like cryptography; firewalls, SSL, Access controls. PCIDSS; Digital signatures: key features and types; Data Storage; Data recovery; Data Centre management; Elements of a Data Security Policy. PFMS Data Security policies & Protocols.

Note: the objective of this unit is to acquaint the trainees with the basic concepts related to data security in context of the electronic financial transactions conducted on GoI applications.

3. Payment Gateway Technologies- Overview of Payment Gateways, Payment Gateway Aggregators; overview of flow of a payment gateway transaction; Data exchange protocols: FTP, SFTP; concepts like Card Association, Issuing Banks, Acquiring Banks, Processor, Merchant accounts, Merchant Discount Rates, chargeback.

Note: the objective of this unit is to acquaint the trainees with the basic concepts, flows and stakeholders wrt Payment Gateway technologies. This is in context of the various ePayment and eReceipt applications of GoI such as PFMS and NTRP which use Payment Gateways.

4. Electronic Payments and collections in Government of India (GoI): IT Act and its basic tenets; RBI guidelines on Payment Gateway technologies wrt the Payments & Settlements Systems Act (PSSA); Examples of Electronic Payments and collections in GoI: Government Electronic Payment Gateway (GePG); E-Payments in PFMS, Electronic Tax Collection systems of CBDT & CBEC; Non Tax Receipt Portal of CGA.

Note: the objective of this unit is to acquaint the trainees with the broad legal and regulatory guidelines wrt online financial transactions. The discussion must be around IT act, RBI guidelines and any other associated GoI guidelines on the subject.

## **Data Analysis and Report Writing**

1.
  - Basics of Statistics
  - Central Tendencies: Mean, Median and Mode
  - Standard Deviation and Variance
2.
  - Data Analysis by use of Excel
  - Analytics software
3.
  - Report writing Techniques
  - Fundamentals of Report writing: Both audit and Non-Audit Reports
4. Practical Training in report writing

## **Financial Management and Public Procurement**

1. Nature of Financial Management: Introduction; Finance and Related Disciplines; Scope of Financial Management; Objectives of Financial Management; and Organization of Finance Function.
2. Basic Financial Concepts: Introduction; Time Value of Money; Valuation of Long- Term Securities; and Risk and Return.
3. Capital Budgeting: Principles and Techniques: Introduction; Nature of Capital Budgeting; Data Requirement: Identifying Relevant Cash Flows; Evaluation Techniques; and Risk Considerations in Capital Budgeting.
4. General Financial Rules (GFR)
5. Manual for Procurement of Goods and Services.
6. Delegation of Financial Powers Rule.
7. Contract Management
8. Manual for Procurement of Works
9. Vigilance Issues in Public Procurement  
CVC Guidelines.



**Third Term**

1. Case Studies related auditing investigation & Vigilance
2. Practical Studies related to Internal Audit
3. Evaluation of Case Study
4. Fraud Investigation and Practical Examples
5. Forensic Techniques
6. Procurement and Vigilance Issues