



**OFFICE OF THE ACCOUNTANT GENERAL (A&E) ODISHA,
PURI BRANCH, PURI.**

No.WM –47-Circular-1218

Date: 10/11/2015

Circular

**Sub: Extension of Continuous Professional Development scheme to Sr. DAOs
and DAOs-I**

A copy of Head quarters Circular No. 34. Staff (APP- I) / 2015-No. 847-Staff (APP-I)/20-2013 dt. 09/10/15 read with Circular No. 32 / Staff (APP-I)-2012-No 878-Staff (APP- I) 25-2011 dt. 06/09/2012 is circulated herewith through website for information & necessary guidance of all Sr. DAOs and DAOs-I

Inspected
10/11/15
Sr. Accounts officer

COM CAG DY No-11 / dt-26-10-15

म. ले (सी/ह) राशि..... शर्मा सं..... दिनांक.....

AG (A&E) Sectt. CAS Dy. No. 520 Dt. 19/10/2015

Office of the Comptroller & Auditor General of India

New Delhi -110 124

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Circular No.34- Staff (App 1)/2015

No.847- Staff (App 1)/20-2013

Dated 09.10.2015

Sl. No. 135
26.10.15

1. All Heads of Department in the Indian Audit & Accounts Department
2. Principal Director (Exam)

Subject: Extension of Continuous Professional Development Scheme to Senior Divisional Accounts Officers and Divisional Accounts Officers Grade-I.

Sir/Madam,

A Continuous Professional Development (CPD) Scheme consisting of three tests was introduced in Indian Audit & Accounts Department in the year 2013 to keep the SAS passed Gazetted Gr. B officers abreast with the latest developments in the field of auditing on a continuous basis and to test them periodically on basics as well as advanced topics in auditing. The detailed instructions have been circulated vide this office Circular no. 32/Staff (App1)-2012 dated 06.09.2012.

2. As per the CPD Scheme, all Senior Accounts Officers/Senior Audit Officers and Accounts Officers/Audit Officers are eligible to appear in the first CPD test. Assistant Accounts Officers/Assistant Audit Officers are eligible to take the first CPD test only after completion of five years of regular service in the grade as on the 1st of the month in which the examination is held.

3. There has been a persistent request from officers in the Divisional Accountants cadre to extend the Scheme to them as well to keep them abreast of the latest developments on a continuous basis in view of the duties assigned to them and to help them achieve higher professional efficiency.

4. It has now been decided by the Competent Authority to extend the CPD Scheme to Senior Divisional Accounts Officers and Divisional Accounts Officers Grade-I. The following guidelines will be applicable:

- (a) Senior Divisional Accounts Officers in Pay Band-3 (Rs. 15600-39100) with Grade Pay of Rs. 5400 are eligible to appear in the first CPD test from CPD (Main) Examination 2016 onwards.
- (b) Divisional Accounts Officers Grade-I in the Pay Band -2 (Rs. 9300-34800) with Grade Pay of Rs. 4800 are eligible to appear in the first CPD test after completion of five years' of continuous service in the grade on the 1st of the month in which the examination is held, from CPD (Main) Examination 2016 onwards.
- (c) All other criteria of existing CPD Scheme including syllabus, marks required for qualifying CPD test, number of permissible chances to qualify the CPD test, circulated by this office vide Circular no. 32/Staff (App I) - 2012 dated 06.09.2012 will be applicable.
- (d) On qualifying each CPD test, the officers would be granted one advance increment in their respective scales with effect from the first of the month in which the examination is held.

Yours faithfully,

(Ranjit Singh)

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4. supply copy to
w/m section for
circulation among
AOs/Sr DAs

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OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
NEW DELHI.

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Circular No. 32/Staff (App1)-2012
No. 878 -Staff (App 1) / 25-2011
Dated: 06.09.2012

To

All the Head of Offices in IA&AD
Pr. Director (Examination)
Director (P).

Subject: - Continuous Professional Development (CPD) tests for SAS pass Gazetted Group 'B' officers.

Sir/Madam,

In view of the increasing changes in the nature of audit and to keep the SAS pass Gazetted Group 'B' officers abreast with the latest developments in the field of auditing on a continuous basis, and test them on periodic basis on basics as well as advanced topics in auditing, it has been decided to introduce a scheme of Continuous Professional Development (CPD) tests.

2. The salient features of the Continuous Professional Development tests are mentioned below:

- (i) The scheme of Continuous Professional Development for SAS pass Gazetted Group 'B' officers will consist of three tests namely CPD I, CPD II and CPD III.
- (ii) The CPD tests would be open to SAS pass Gazetted Group 'B' officials from both Audit and A&E offices. No departmental training would be imparted to eligible candidate for appearing in CPD tests.
- (iii) Every eligible candidate would be given six (6) chances each for qualifying CPD I, CPD II and CPD III to bring the tests at par with SAS/RA/ Incentive Examination.
- (iv) The CPD tests would be computer based tests. The papers would be based on multiple choice objective questions. There will be 100 (one hundred) questions in each paper - carrying one mark each and duration of paper would be 2 (two hours).
- (v) There would be negative marking in CPD tests. For each and every wrong answer 0.25 marks (25 %) will be deducted. The minimum aggregate marks required for passing CPD test would be 50 % in each paper of CPD test. A candidate who scores 50 % marks and above in any paper of CPD would be treated as 'passed' as well as 'exempt' from future appearance in that paper.
- (vi) Candidates after qualifying each CPD test would be granted one (01) advance increment in their respective scales with effect from the first of the month in which the examination is held.
- (vii) The advance increment would be sanctioned by the respective HoD, who would, in turn, obtain the Headquarters' ex post facto approval.

3. The eligibility criteria for appearing in CPD tests are mentioned below:

- (i) All Sr. AOs and AOs are eligible to take the first CPD test. AAOs would be eligible to appear in the first CPD test after completion of five years' continuous service in the group on the 1st of the month in which the examination is held.
- (ii) The second CPD test can be taken by SAO/AO/AAO after elapse of four years from qualifying their first CPD test.
- (iii) The third and final CPD test can be taken by the SAO/AO/AAO after elapse of four years from qualifying their second CPD test.

4. At each stage, there would be one paper on standards, principles and practices of auditing and one paper on topics which are closely related to the field of auditing. At the time of (CPD I) and second (CPD II) stages, the candidates would be tested on the acquired knowledge of the related subjects which have a bearing on the micro as well as macro issues. In the third stage (CPD III), the candidates should be able to appreciate the overall macro environment, form their independent opinion based on the experience gained during practice and on-the-job learning. They would, therefore, be tested on the General Economic Issues also along with Auditing Standards and Practices. Keeping in view the above broad parameters, the syllabi for the CPD tests are as follows:-

CPD I Test:

- (i) Financial Management (C-1)
- (ii) Auditing Principles and Standards (C-2)

CPD II Test:

- (i) Public Finance (C-3)
- (ii) Auditing- Methods and Techniques (C-4)

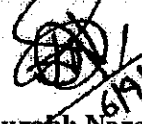
CPD III Test:

- (i) General Studies & Current Economic Developments (C-5)
- (ii) Applied Public Auditing (C-6)

5. The CPD I test will be conducted from the year 2013 along with the SAS/RA/Income Tax Examination. The detailed syllabus of CPD tests is at Annexure I. It is requested to bring the instructions to the notice of all the SAS pass Gazetted Group 'B' officers and wide publicity to be given by displaying it on all notice boards.

Encl. As above.

Yours faithfully



(Saurabh Nara)

Asstt. Comptroller and Auditor General

ANNEXURE I

Detailed Syllabus of CPD Tests

Continuous Professional Development – Stage I Examination

CI Financial Management

1. Analysis of Financial Statements:

Analysis and Interpretation of Financial Statements, Techniques and limitations of Financial Analysis, Ratio Analysis, Funds Flow Analysis and Cash Flow Analysis.

2. Concepts of Value and Return:

Time preferences for money, present value, future value, value of annuity, Rate of Return.

3. Investment Decisions:

Concepts of Capital Budgeting, Capital Budgeting Appraisal Methods, Tactical Versus Strategic Investment Decisions, Capital Rationing, Factors Affecting Capital Investment Decisions.

4. Financial Planning and Capital Structure:

Estimating Capital Requirements, Fixed Capital, Working Capital, Capitalization, Patterns of Capital Structure

5. Sources of Finance:

Financial Markets, Security Financing, Debentures, Loan Financing, Bridge Finance, Loan Syndication, Book-Building, New Financial Institutions, Venture Capital Institutions, Mutual Funds, Factoring Institutions, New Financial Instruments: Commercial Papers, Securitization of Debt, Global Depository Receipts (GDR), Derivatives: Options, Forward, Future and SWAP, Lease Financing: Concept of Leasing, Types of Lease Agreements, Difference Between Hire Purchase and Lease Financing.

6. International Financial Management:-

Foreign Exchange Market, Exchange Risk Management, Mode of Payment in International Trade; Open Account, Bank Transfer, Letter of Credit, Consignment Sale.

7. Public Procurement: –

Principles and Methods of Public Procurement, Transparency and Professionalism in Public procurement, Penalties & debarment etc. Provisions relating to Procurement of goods and services, Outsourcing of services, Contract management and Inventory management as embodied in the General Financial Rules, Indian Contract Act, 1872, The Arbitration & Conciliation Act, 1996.

Suggested Readings:

1. Taxman's Financial Management by Sh. Ravi M. Kishore
2. Indian Financial System by Sh. H R Machiraju, published by Vikas Publishing House Pvt. Ltd. New Delhi 8.
3. Public Procurement Bill, 2012.
4. General Financial Rules (Chapter 6,7,8)
5. Indian Contract Act, 1872.
6. The Arbitration & Conciliation Act, 1996.

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Continuous Professional Development – Stage I Examination

C2- Auditing Principles and Standards

Financial and Compliance Audit, Methods and Procedure of auditing including auditing in Information Technology (IT) Environment, Regulations issued on Audit and Accounts issued by the CAG of India. MSO (Audit) including Financial Attest Audit Manual, Auditing Standards issued by the CAG of India, International Auditing Standards issued by the IFAC. Auditing Standards issued by the INTOSAI

Suggested Reading:-

1. Auditing Standards issued by the CAG of India
2. International Auditing Standards issued by IFAC
3. Auditing Standards issued by the INTOSAI
4. MSO (Audit) including financial attest audit manual
5. Regulations on Audit and Accounts.

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Continuous Professional Development – Stage II Examination

C 3 - PUBLIC FINANCE

1. Public Financial Management

Meaning and Importance of Public Finance, The Principle of Maximum Social Advantage, Role of Public Finance under different Economic Systems, Concept and Principles of Federal Finance, Analytical study of Union Budget, Government Accounting Standards issued by the GASAB.

2. Public Expenditure

Principles of Public Expenditure, Revenue and Capital Expenditure, Development and Non-Development Expenditure, Effects of Public Expenditure

3. Public revenue

Sources of Revenue, Taxes, Canons of Taxation, Characteristic of Good Tax System, The Theory of Tax Structure Development, Changes in Tax Structure under the Impact of Economic Development, Incidence of taxation Money Burden and Real Burden. Factors Determining Incidence, Relative Merits and Demerits of Direct and Indirect Taxes.

4. Problem of equity

Cost of Service Principle, Benefit or 'Quid Pro Quo' Theory. 'Ability to Pay' Theory, Proportional vs. Progressive Taxation, Taxable Capacity.

5. Public debt

Classification of Public Debt. Purposes of Public Debt. Methods of Debt Redemption. Voluntary or Forced Loans. Effects of Public Debt on Production, Distribution, Consumption and Level of Income and Employment.

6. Economic development and Planning

Concepts of National Income & Product, Central Banking Principles, Functions of Central Banks, Monetary Policy Vs Fiscal Policy, Balance of Payments, Determinants of economic growth, Government Measures to Promote Economic Development, Regulatory Bodies established by laws, Provision of Economic and Social Overheads, Provision of Financial Facilities, Institutional Changes, Direct Participation, Indirect Measures, Forms of Planning : Planning by inducement and planning by Direction, Centralized planning vs. Decentralized Planning Pre-requisites of a Successful Planning.

Suggested Readings:

1. Public Finance in Theory & Practice by Dr. S.K.Singh, published by S.Chand & Company, New Delhi
2. Modern Economic Theory by Dr. K.K. Dewett and Sh M.H. Navalur published by Shyam Lal Charitable Trust, New Delhi (sole distributor S.Chand & Company Ltd, New Delhi)
3. Union Budget
4. Government Accounting Standards issued by the GASAB
5. Fiscal Responsibility and Budget Management Act, 2003

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Continuous Professional Development – Stage II Examination

C4- Auditing – Methods and techniques

Performance Auditing including Public Private Partnership (PPP) audit, Formulating audit plans including risk analysis. Use of quantitative techniques and analytical procedure in audit, Framing audit objectives and issue analysis, Setting audit criteria, audit of Internal controls including forensic audit, Audit evidence and documentation, Quality assurance in auditing including audit quality management framework and Assurance through Peer Review, Reporting and following audit findings/observations.

2. Practice Guide Series and supplementary guidelines issued by the CAG of India. International Auditing Standards and International Auditing Practice Statements issued by the IFAC, Auditing standard issued by the INTOSAI.

Suggested Reading:-

1. Auditing Standards & Performance Auditing Guidelines issued by the CAG of India
2. Public Audit Guidelines issued by the CAG of India.
3. Internal Control Evaluation Manual issued by the CAG of India.
4. Practice Guide Series and supplementary guidelines issued by the CAG of India.
5. International auditing standards and practice statements issued by IFAC
6. Auditing Standards and guidelines issued by INTOSAI
7. CAG's standing order on role of audit in relation to cases of fraud & corruption
8. Audit Quality Management Framework and Quality Assurance through Peer Review

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Continuous Professional Development- Stage III Examination

C5- General Studies & Current Economic Developments

Candidate's awareness of current national issues and topics of socio- economic relevance in Current environment such as the following:

1. The Indian economy and issues relating to planning, mobilization of resources, growth, development and employment.
2. Issues arising from the social and economic exclusion of large sections from the benefits of development issues relating to good governance and accountability to the citizens.
3. Environmental issues, ecological preservation, conservation of natural resources.
4. Issues relating to India's Economic Interaction with the World such as foreign trade, foreign Investment: economic and diplomacy issues relating to oil, gas and energy flows: the role and functions of I.M.F., World Bank, W.T.O., WIPO etc which influence India's economic interaction with other countries and international institutions.
5. Current developments in the field of science and technology, information technology, space, nanotechnology, biotechnology and related issues regarding intellectual property rights.

Continuous Professional Development- Stage III Examination

C-6 – APPLIED PUBLIC AUDITING

Candidate' proficiency in application of best practices in Public Auditing, reporting of audit observations and assessing the impact of audit findings will be tested on the basis of generally accepted auditing and assurance standards such as –

1. Auditing Standards, Guidelines and Best practices series issued by the C&AG of India,
2. International Auditing standards, practice statements and Assurance Standards issued by the IFAC.
3. Auditing standards and best practices guidelines issued by the INTOSAI.