



## Certified Accounting & Audit Professional (in Remote Proctored mode) Rules & Syllabus 2024

### OBJECTIVE:

To develop a cadre of personnel in banks to perform various functions covering Accounting & Audit.

### REMOTE PROCTORED MODE

Remote proctoring allows candidates to take an examination at a location of his/her choice while ensuring the integrity of the examination. These systems require students to confirm their identity, and, during the examination, the system monitors students through video, mic, etc. looking for behaviour that could indicate unfair practices (cheating). Examinations are conducted over internet using a Desktop/Laptop. Taking examination using any other device is not permitted e.g. mobile, tabs, etc.

### COVERAGE:

The course broadly covers:

ACCOUNTING	AUDIT
a) Fundamentals of Accounting	a) Introduction and Types of Audit
b) Financial Statement of Banks	b) Internal Audit
c) Preparation of Financial Statements	c) Audit in Computerised Environment
d) Accounting Standards (IND-AS)	d) Aspects of Banks Fin. Statement

### METHODOLOGY:

Course has two components viz.,

- Online examination for 100 marks based on a specially designed courseware on Accounting & Audit
- Classroom/Virtual Classroom Training of 3 days

For details of Classroom Training, Course Structure & Delivery, refer page 4.

### ELIGIBILITY:

- Members and Non-Members of the Institute
- Candidates must have passed the 12<sup>th</sup> standard examination in any discipline or its equivalent.

### SUBJECT OF ONLINE EXAMINATION:

Accounting & Audit

### PASSING CRITERIA:

- Minimum marks for pass in the subject is 50 out of 100 for online examination.
- Minimum 25 marks for pass out of 50 marks in the Classroom/Virtual classroom training.

### EXAMINATION/ TRAINING FEES: (For Members/ For Non-members)

Sr. No.	Particulars	Examination Fee	Training Fee**	Total Examination+ Training Fee
1.	Virtual training mode	Rs.6,000/- plus GST	Nil	Rs.6,000/- plus GST
2.	Physical classroom training mode at Mumbai, Delhi, Chennai and Kolkata centres	Rs.6,000/- plus GST	Rs.5,000/- plus GST	Rs.11,000/- plus GST
3.	Physical classroom training mode at	Rs.6,000/- plus	Rs.9,000/-	Rs.15,000/-

	other centres	GST	plus GST	plus GST
--	---------------	-----	----------	----------

**Please Note: Candidates are required to Register for every attempt separately.**

While registering online for the examination candidates will have to choose examination date / time slot of his/her choice, the exam date/time will be allotted on first-cum-first-serve basis.

**Candidates are required to take utmost care and precaution in selecting Exam Date and Time slot, as there is no provision to change the Exam date and Time slot in the system. Hence no request for change of Exam date and time slot will be entertained for any reason.**

The fee once paid will **NOT** be refunded or adjusted on any account.

- I. Training fees are to be paid after the candidate clears the online examination conducted by the Institute.
- II. Candidates, who do not pass the online examination in their first attempt, need to enrol for the second attempt by paying a nominal fee of Rs.200.
- III. Candidates who do not pass the online examination in their second attempt, need to enrol again by paying a fee of Rs. 6,000/-.
- IV. If a candidate fails in the virtual classroom training, he/she can enrol for the second attempt by paying a fee of Rs. 1,000/- plus GST.

### **MEDIUM OF EXAMINATION:**

Examination will be conducted in English only.

### **PATTERN OF EXAMINATION:**

- (i) Question Paper will contain 100 objective type multiple choice questions including situation analysis/ problem based questions for a total of 100 marks
- (ii) The examination will be held in Online Mode only
- (iii) There will NOT be negative marking for wrong answers.

### **DURATION OF EXAMINATION:**

The duration of the examination will be of 2 hours.

### **PERIODICITY:**

Examination will be conducted on pre-announced dates published on IIBF Web Site. Institute conducts examination on 2<sup>nd</sup> & 4<sup>th</sup> Saturday and on all Sunday's, however periodicity of the examination may be changed depending upon the requirement of banking industry.

### **PROCEDURE FOR APPLYING FOR EXAMINATION**

Application for examination should be registered online from the Institute's website [www.iibf.org.in](http://www.iibf.org.in). The schedule of examination and dates for registration will be published on IIBF website.

### **PROCESS**

#### **Registration**

- 1) Application for examination should be registered online from the Institute's website [www.iibf.org.in](http://www.iibf.org.in). The schedule of examination and dates for registration will be published on IIBF website.
- 2) At the time of registration, the candidate will select date/time of the examination.
- 3) At the time of registration, the candidate can register for e-learning/e-book, if required, by paying the requisite additional fees.
- 4) The study material can be in the form of e-book and/or e-learning.
- 5) Based on the option selected (e-book/e-learning) the candidate will be provided login ID password to access the study material.
- 6) On successful registration admit letter will be generated. Candidates can download it.

#### **Examination**

- 1) Candidates will take examination under remote proctored mode on predetermined date/time from a secured environment. (refer Do's and Don'ts section for more information)
- 2) Candidates should login to the system half an hour before the exam start time.
- 3) The examination proctor will verify the candidate's face with the registered photo image of the candidate.

- 4) Candidate will also be asked to display any valid original photo id-card (Aadhaar card/e-Aadhaar/Employer's card/ PAN Card/ Driving License/ Election voter's card/ Passport etc.)  
for verification purpose. After successful verification the proctor will allow the candidate to start the examination.
- 5) Candidate may be required to show 360° view of the exam area using the webcam. So that the proctor can identify the object/check the suitability of the exam area/environment. A clear desk/table has to be ensured for appearing for the examination. No reference materials, books, notes, periodicals, mathematical tables, slides rules, stencils, post-its, chits, mobile phones, headsets (wired/ wireless), any other electronic gadgets are allowed to be kept on the table or the desk.
- 6) Both sides of the rough sheet (if it is going to be used) should be shown to proctor before and after the examination.
- 7) Once the examination begins live remote proctoring of the candidate's activities will take place throughout the examination period.
- 8) Under remote proctoring candidate's activities will be monitored using webcam, mic etc. Computer screen, browser, mouse, keyboard etc. will be monitored.
- 9) Proctor, if required, can convey information/ instructions to the candidate using chat box.
- 10) If a candidate indulges in unfair practices/suspicious acts, the proctor will intervene and warn the candidate through chat box or can cancel/stop the examination immediately as the case may be.
- 11) After completion of the examination/submission, provisional scorecard will be displayed on the screen.
- 12) **RESULT ADVICE/ CONSOLIDATED MARKSHEET/ FINAL CERTIFICATE**
  - a. Result Advice of candidates will be hosted on Institute's website on declaration of result, which can be downloaded by the candidates.
  - b. Consolidated mark sheet for candidates completing examination having more than one subject, will be available on the Institute's website after the declaration of results. Candidates can download the same after entering login credentials using their membership number and edit profile password.
  - c. For passed candidates, digitally signed certificate will be sent through e-mail registered with the Institute within 3 weeks after the declaration of result. The Paper Certificate issued by the Institute is discontinued.

### Minimum System Requirement:

- I) Desktop/Laptop:
  - Browser: Google Chrome version 75 & above, with cookies & popups enabled
  - Video/Audio: Webcam and a good quality Mic is required
  - Operating system: Windows 8 or 10
  - RAM & Processor: 4 GB+ RAM, i3 5th Generation 2.2 Ghz or equivalent/higher
  - Pop-up blocker: Disabled
- II) Internet Connection:
  - Stable internet connection with at-least 2 mbps+ upload speed
  - Examination not allowed on mobiles or tablets**

### Do's and Don'ts

1. The candidate will take the examination from a secured environment.
  - i. Place having desk and chair preferably with plain backdrop (area behind the candidate) with adequate lighting so that the candidate is visible to the proctor. The place should be noise free with no public movement in the surroundings.  
All the items should be removed from the desk except computer/external webcam (if internal webcam is not available) /keyboard/mouse, other permitted items, if any.
  - ii. Examination will not be conducted if the examination area is a Public place, a noisy environment, having inadequate lighting, having public movement in examination area/around the candidate, having other computer or similar device in the examination area.
  - iii. The examination cannot be taken sitting on a couch, bed or on the floor.

2. Candidate's will take examination on a registered date/time from a secured environment. Candidate who tries to appear after the scheduled examination date/time will not be allowed to appear for the examination.
3. Candidate's should login to the system half an hour before the examination start time.
4. No other persons are allowed in the examination area during the examination.
5. Candidate must keep ready his/her original photo identity card that has name and photo on the same side, admit letter, rough sheet, pen/pencil and calculator.
6. Candidates must dress decently as though they are in a public place and will be video recorded
7. Candidates must not talk to anyone during the examination period or talk/read to oneself loudly.
8. In case of emergency he/she can talk to helpdesk in case of any technical issue with permission from proctor.
9. Candidates must not use headphones, ear buds, or any other type of listening equipment.
10. Candidates must not communicate with any other person by any means.
11. Candidates must not use any phone for any reason.
12. Candidates must not leave the room/examination area during the examination for any reason without the permission of the proctor. Leaving the room/examination area or moving to another room/area during the examination for any reason will be treated as a violation of examination rules.
13. Candidates must not setup the computer at the time of examination. All the settings need to be done much before the examination time and tested properly. For any failure of the computer system during the examination period, Institute will not be responsible and candidate will lose his/her attempt.
14. Candidates must not switch off the webcam or mic or cover the webcam during the examination.
15. Candidates must not navigate away from examination window.
16. Candidate's face must be positioned in the middle of the camera view and candidate's face must be visible throughout the Examination.
17. Don't Position camera too low, too high or hooked onto a different monitor. Weird camera angles can be very distracting -- and unflattering -- during examination. The candidate should make sure that the camera is at eye level and on the monitor which is used for the examination.
18. Candidate must not look away from laptop/desktop screen, must face computer screen.
19. Candidate must not seek any assistance or refer study material/mobile/ for answering the questions.
20. Candidate must ensure that he/she has attempted every question and reviewed the accuracy of his/her answers before submitting the paper. Once submitted (even by mistake), re-examination will not be permitted.
21. On the exam day candidate is advised to ensure that the Laptop is fully charged and in case of Desktop it is connected to an uninterrupted power source for smooth conduct of examination.
22. Candidates are not permitted to logout/switch-off the computer for the sake of going to washroom and if they log out/switch-off, re-login will not be permitted.
23. Candidates will be allowed to use battery operated portable calculator during the examination. The calculator can be of any type up to 8 functions i.e. (Addition, Subtraction, Multiplication, Division, Percentage, Sq. root, Tax+ and Tax-), having 12 digits. Attempt to use any other type of calculator not complying with the specifications indicated above or having more features than mentioned above shall tantamount to use of unfair means. Scientific/Financial calculator is NOT allowed.

### **Debarment/Cancellation of examination:**

- 1) If a candidate indulges in unfair practices/suspicious acts, the proctor will intervene and warn or cancel the test.
- 2) For any case of misconduct, the proctor can warn/cancel the test immediately as the case may be.
- 3) For any unfair act (cheating) during the examination, the result of such examination may be cancelled and he/she will be liable for punishment. Institute will also inform the employer of the candidate by giving the details of unfair practice and punishment levied on the candidate.
- 4) If the unfair act is determined after the examination, the result of such examination will be cancelled and he/she will be liable for punishment.
- 5) If any candidate attempts copying Onscreen question, takes photoshots or violates any of the examination rules, it will be considered to be an act of misconduct and he/she will be liable for punishment.
- 6) PLEASE REFER INSTITUTE'S WEBSITE UNDER THE MENU "EXAM

RELATED" FOR DETAILS OF DEBARMENT PERIOD FOR UNFAIR PRACTICES ADOPTED BY CANDIDATES DURING CONDUCT OF INSTITUTE'S EXAMINATIONS.

## Privacy

During the remote proctored examination, Images/Videos/Sounds of the candidates and their computer systems will be captured and stored for examination proctoring purposes. It is envisaged that candidates who register for the remote proctored examinations agree for the same.

## PROOF OF IDENTITY

Non-members applying for Institute's examinations/courses are required to attach/ submit a copy of any one of the following documents containing Name, Photo and Signature at the time of registration of Examination Application. Application without the same shall be liable to be rejected.

- 1) Photo I/d Card issued by Employer or 2) PAN Card or 3) Driving Licence or 4) Election Voter's I/d Card or 5) Passport 6) Aadhaar Card.

## STUDY MATERIAL/ COURSEWARE

The Institute has developed courseware to cover the syllabus. The courseware for the examination on Accounting and Auditing will have two books namely:

### **Bankers' Handbook on Accounting**

And

### **Bankers' Handbook on Auditing**

#### **The Bankers' Handbook on Accounting will have the following modules:**

Fundamentals of Accounting.

Financial Statements of Banks.

Preparation of Financial Statements of Banks & Taxation.

Accounting Standards (IND-AS).

#### **The Bankers' Handbook on Auditing will have the following modules:**

Introduction and Types of Audit.

Internal Audit.

Audit in computerized environment.

Audit Aspects of Bank's Financial Statements.

The courseware (books) for the subject/s will be available at outlets of publisher/s.

Please visit IIBF website [www.iibf.org.in](http://www.iibf.org.in) under the menu "Exam Related" for details of book/s and address of publisher/s outlets. Candidates are advised to make full use of the courseware. However, as banking and finance fields are dynamic, rules and regulations witness rapid changes. Therefore, the courseware should not be considered as the only source of information while preparing for the examinations. Candidates are advised to go through the updates put on the IIBF website from time to time and go through Master Circulars/ Master Directions issued by RBI and publications of IIBF like IIBF Vision, Bank Quest, etc. All these sources are important from the examination point of view. Candidates are also to visit the websites of organizations like RBI, SEBI, BIS, IRDAI, FEDAI etc. besides going through other books & publications covering the subject/ exam concerned etc. Questions based on current developments relating to the subject/ exam may also be asked.

## E-LEARNING:

Institute facilitates e-learning to enhance the understanding of the concepts. Candidates can access the e-learning (From Desktops and Laptops only) through our website [www.iibf.org.in](http://www.iibf.org.in) at their convenience and from their place of choice.

- At the time of registration, the candidate can register for e-learning/e-book, if required, by paying the requisite additional fees.
- The study material can be in the form of e-book and/or e-learning.
- Based on the option selected (e-book/e-learning) the candidate will be provided login ID password to access the study material.

## DISCLAIMER:

The above said facility of e-learning offered to the candidates is solely at the discretion of the Institute and subject to such terms/ conditions as may be deemed fit by the institute from time to time. Hence no candidate has any right/ claim whatsoever against the institute by reason of any technical glitches or any shortcomings as the case may be and the decision of the institute in the event of any dispute there-under will be final and conclusive.

## Cut-off Date of Guidelines/ Important Developments for Examinations

The Institute has a practice of asking questions in each exam about the recent developments/ guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments/ guidelines from the date the question papers are prepared and the dates of the actual examinations.

In order to address these issues effectively, it has been decided that:

- (i) In respect of the examinations to be conducted by the Institute for the period March to August of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers".
- (ii) In respect of the examinations to be conducted by the Institute for the period September to February of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

The table given below further clarifies the situation.

Particulars Developments for Examination/s	Cut-off Date of Guidelines/ Important Developments for Examination/s
For the examinations to be conducted by the Institute for the period March 2024 to August 2024	31st December 2023
For the examinations to be conducted by the Institute for the period September 2024 to February 2025	30th June 2024

## TUTORIAL/ CONTACT PROGRAMMES

Tutorial/ Contact programmes may be organized by the Institute at various centres. For details in this regard candidates may visit Institute's website [www.iibf.org.in](http://www.iibf.org.in).

## COURSE STRUCTURE & DELIVERY

Certified Accounting & Audit Professional has two parts viz. written examination and classroom/virtual classroom training. To be declared successful, a candidate has to secure a minimum of 50% marks in the online examination and 50% in class room training. The steps in completing the course are as under:

### 1. Study Material:

The Institute has published a courseware on this subject.

### 2. Examination:

Candidates will have to appear for the online examination conducted by IIBF (Multiple Choice Questions mode) and pass the examination.

### 3. Training:

Candidates who have successfully passed the online examination have to undergo training. For this purpose, the candidate, on passing the examination should log on to IIBF website - [www.iibf.org.in](http://www.iibf.org.in) and select his/her convenient slot for classroom/virtual classroom training (3 days) from the pre-determined dates and venue (in case of classroom training) at select centres announced by the Institute. During the classroom/virtual classroom training,

candidates will be assessed (Internal assessment) for training performance for a total of 50 marks. Marks for training will be awarded to candidates by faculty for their training participation, analytical skills, case discussions, dealing ability, presentation skills etc.

#### Evaluation Process:

SR. NO	PARTICULARS	WEIGHTAGE	TOTAL MARKS (MAXIMUM)	MINIMUM MARKS TO BE OBTAINED	REMARKS
1	Attendance	50%	50	25 (50%)	Total 10 total sessions (spread in 3 days). Attending minimum 5 sessions will be compulsory. This will correspond to 25 marks out of 50 (50%). On 1 <sup>st</sup> day and 2 <sup>nd</sup> day 4 sessions each and on 3 <sup>rd</sup> day 2 sessions. (4+4+2)
2	MCQs	50%	50	25 (50%)	Each session will have 5 MCQs. The MCQ Test will be at the end of the Course. There will thus be a total of 50 MCQs (1 mark each). Total 50 marks. A candidate has to obtain a minimum of 25 marks out of 50 (50%).
<b>Total</b>			<b>100</b>	<b>50 (50%)</b>	
The overall aggregate (attendance + marks in MCQs) to be obtained by a candidate will therefore be 50 (50%). However, if a candidate gets overall 50% with 30 marks in attendance (60%) and 40% (i.e. 20 marks) in MCQs, s/he will also be considered as passed. But, vice versa is not permitted. In other words, a candidate should get minimum 20 marks in the MCQs.					

#### 4. Time Limit for Training:

- Classroom/Virtual Classroom Training is required to be completed within 15 months from the date of declaration of the online examination results in which the candidate passes.
- In case a candidate fails to complete the training either on account of not able to successfully complete the training or by not attending training within the stipulated period of 15 months, the candidate would be required to RE-ENROLL himself for the Online examination foregoing credit for the subject/s passed in the Online examination earlier in case he wants to complete the course.

#### Award of Certificate:

Certificate will be issued to candidates within 3 weeks on successful completion of both online examination and classroom/virtual classroom training. No certificate will be issued for passing only the online examination.

#### Code of Conduct:

All the successful candidates will be encouraged to adhere to a code of conduct which will be issued along with the Certificate.

#### SYLLABUS FOR ONLINE EXAMINATION

The details of the prescribed syllabus which is indicative are furnished in the booklet. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus/ rules/ fee structure from time to time. Any alterations made will be notified from time to time.

Candidates are advised to refer to financial newspapers/ periodicals more particularly "IIBF VISION" and "BANK QUEST" published by the Institute.

#### ACCOUNTING

##### MODULE A: FUNDAMENTALS OF ACCOUNTING

- Accounting: An Introduction (Financial Accounting/Cost Accounting/Management Accounting)
  - Nature & Purpose of Accounting
  - Historical perspectives, New Accounting Systems, Origins of Accounting Principles

## 2. Accounting Process (Manual/Computerized)

- Accounting Process
- Manual Accounting
- Computerized Accounting System (CAS)
- Manual Accounting v. Computerized Accounting

## 3. Definitions Terms: Definitions and an understanding

## 4. Use of Journal, Types and Importance of Voucher in Computerized Accounting of Banking Transactions

- Use of Journals in Accounting systems of Banks
- Types of transactions & types of vouchers
- Accounting Systems of Different Banks

## 5. Bank Reconciliation Statement

- Introduction & meaning
- Need & importance of Bank Reconciliation Statement
- Reasons for Differences Between Cash Book and Pass Book
- Preparation of Bank Reconciliation Statement
- Advantages of BRS & illustrations

## 6. Depreciation Accounting - Meaning & Causes of Depreciation

- Need for Depreciation
- Factors of Depreciation
- Accounting Entries
- Methods of Depreciation: Straight Line Method, Written Down Value (WDV) Method- Difference Between Straight Line Method and Written Down Value Method
- Advantages and Disadvantages of Straight Line Depreciation Method
- Advantages and Disadvantages of Reducing Balance Method of Depreciation
- Sum of the Years' Digits Method
- Units of Productions Method
- Replacement of A Fixed Asset and Creation of Sinking Fund

- Amortisation of Intangible Assets

## 7. Classification of Income and Expenditure

- Expenditure
- Difference Between Capital Expenditure and Revenue Expenditure
- Capital and Revenue Receipts

## 8. Banking Operations and Accounting Functions

- Functions of A Bank
- Outsourcing of Services by Banks
- Need for Clear Formal Operating Instructions in Banks
- Banking Operations Manual
- Contents of Banking Operational Manual

## **MODULE B: FINANCIAL STATEMENTS OF BANKS**

## 9. An Introduction to Financial Statements of Bank

- Business of Banking Companies
- Restriction on Business of Banking Company
- Bank's Book-Keeping System

## 10. Advances - Presentation of Advances (Schedule 9)

- Principal Accounting Policy with Respect to Advances
- Disclosure Requirements of Accounting Policy with respect to advances
- Restrictions on Loans and Advances (Section 20)
- Secured and Unsecured Advance

## 11. Asset Classification, Income Recognition and Provisioning

- Recognition of Income
- Classification of Assets

## 12. Cash, Balances with RBI and other Banks, Money at Call and Short Notice

- Presentation of Cash and Balances with Reserve Bank of India (Schedule 6)
- Understanding the Items in the Schedule on Cash and Balance with Reserve Bank of India
- Presentation of Balances with Other Bank and Money at Call and Short Notice (Schedule 7)
- Understanding Items in Schedule "Balances with Other Banks and Money at Call and Short Notice"
- Operating Instructions on Cash

## 13. Fixed Assets and Other Assets

- Presentation of Fixed Assets (Schedule 10)
- Comments on the Constituents of the Fixed Asset Schedule
- Principal Accounting Policies w.r.t. Fixed Assets



- Disclosure of Accounting Policies w.r.t. Fixed Assets
- Presentation of Other Assets (Schedule 11)
- Constituents of other Assets' Schedule
- 14. Borrowings and Deposits - Presentation of Deposits (Schedule 3)
- Comments on Schedule 3 - Deposits Items
- Presentation of Borrowings (Schedule 4)
- Comments on Schedule 4 - Borrowings Items
- Special Consideration
- 15. Capital, Reserves and Surplus
- Special Provisions of the Banking Regulation Act, 1949
- Presentation of Capital Account (Schedule 1)
- Comments on Capital Account Items
- Presentation of Reserves and Surplus (Schedule 2)
- Comments on Items of Reserve and Surplus (Schedule 2)
- 16. Other Liabilities and Provisions
- Presentation of Other Liabilities and Provisions (Schedule 5)
- Comments on Other Liabilities and Provisions (Schedule 5)
- 17. Contingent Liabilities and Bills for Collection
- Presentation of Contingent Liabilities (Schedule 12)
- Comments on the Contingent Liabilities (Schedule 12)
- Detailed Discussion of Acceptances, Endorsements and Other Obligations
- Bills for Collection
- 18. Investments - Presentation of Investments (Schedule 8)
- Comments on Constituents of Schedule 8 – Investments
- Principal Accounting Requirements of Investments
- Disclosure Requirements of Investments
- 19. Profit and Loss Account - Form of Profit and Loss Account
- Presentation of Schedules of Profit and Loss Account
- Comments on Items of Profit and Loss Account and its Schedules
- Illustrations
- 20. Disclosure Requirements in Financial Statements
- Disclosure of Accounting Policies
- Disclosure Requirements of Banks to be Added as Notes to Accounts
- Disclosures Prescribed by RBI Under Basel-III
- 21. Consolidation of Financial Statements
- Responsibility of A Bank
- Responsibility of the Statutory Central Auditor (SCA)
- Important CFS Considerations
- 22. Consolidation of Branch Accounts
- Introduction
- Process of Consolidation
- 23. Inter Office Transactions - Balancing of Books/Reconciliation of Control and Subsidiary Records
- Reconciliation of Inter Branch/Office Entries
- RBI Guidelines Regarding Inter Office Entries
- Reconciliation Set Up and Process at the Banks

### **MODULE C: PREPARATION OF FINANCIAL STATEMENTS OF BANKS & TAXATION**

- 24. Preparation of Final Accounts of Banks
- Objectives
- Some Special Transactions
- Illustrations
- 25. Preparation of Cash Flow and Fund Flow Statements
- Cash Flow Statement, Benefits of Cash Flow Information
- Objectives of Preparing Cash Flow Statement, Classification of Activities: Cash Flow Statement
- Advantages and Disadvantages of Cash Flow Statement
- Methods of Preparation of Cash Flow Statement
- Funds Flow Statement: An Introduction
- Benefits of Funds Flow Statement
- Preparation of Funds Flow Statement
- Difference Between Funds Flow Statement and Cash Flow Statement
- 26. Management Information System (MIS) and Financial Reporting
- Types of Information Systems
- Benefits of Using Information Systems
- Need for MIS in Banking

- Management Information System (MIS)
- Organization's Computing Resources
- Relationship of MIS with TPS
- 27. Accounting in Computerized Environment
- Concept of Computerized Accounting System
- Features of Computerized Accounting
- Terms Used in Computerized Accounting
- Comparison Between Manual and Computerized Accounting
- Advantages of Computerized Accounting System
- Limitations of Computerized Accounting System
- Functions of Computerized Accounting Software
- Accounting Software
- The Core Banking Components
- Information Security
- Internet and World Wide Web – Influences on Banking

28. Introduction to Direct Tax & Indirect Tax

- Understanding Direct Tax
- Income Tax: The Basics
- Understanding Indirect Tax
- Direct Tax and Indirect Tax: A Comparison

29. Preparing and Filing of Returns Under Direct and Indirect Tax

- Income Tax Provisions: Filing and Preparation of Return
- Provisions Relating to Tax Deducted at Source
- GST Provisions: Payment, Filing and Preparation of Returns

30. Tax Provisions Relating to Income Tax & GST

- Specific Considerations of Income Tax with Respect to Banks
- GST Provisions with Respect to Banks

31. Deferred Tax and Tax Planning

- Deferred Tax Analysis
- Difference Between AS 22 and Ind AS 12
- Tax Planning

**MODULE D: ACCOUNTING STANDARDS (IND AS)**

32. Scope, Statutory Provisions and Compliances

- Understanding Accounting Standards
- Accounting Standards in India and its Definition and Scope- Generally Accepted Accounting Principles of USA (US GAAP)
- Overview of IFRS
- Difference between US GAAP and IFRS

33. Applicability of Ind AS to Banks, FIS & Corporates

- Applicability as Per MCA
- Companies not covered in the rules for application of Ind AS
- Net Worth of Companies for the Purpose of Ind AS Companies not Covered in the Rule for Application of Ind AS

- Applicability of Ind AS Provisions for Listed Companies

- Applicability as per RBI
- Applicability as per RBI for AIFI
- Meaning of NBFC for Ind AS
- Applicability as per RBI for NBFC & ARC

34. Scope of Consolidated Financial Statements (CFS)

- Scope of Consolidated Financial Statements
- Statutory Requirements
- Components of Consolidated Financial Statements

35. Consolidation Procedures and Accounting for Investment in Subsidiaries

- Introduction – Consolidation Procedures
- Acquisition of Interest in Subsidiaries at Different Dates
- Uniform Accounting Policies
- Measurement

36. Standalone Financial Statements

- Balance Sheet
- Statement of Changes in Equity
- Statement of Profit and Loss Accounts
- Statement of Cash Flows
- Notes to Financial Statements

- Comparative Information
- 37. Jointly Controlled Entities and Associates in Separate Financial Statements
  - Scope
  - Significant Influence
  - Potential Voting Rights
  - Equity Method, Application of Equity Method
- 38. Disclosures, Technical Issues and Challenges
  - Ind AS 107
  - Qualitative Disclosure
  - Quantitative Disclosures

## AUDITING

### **MODULE A: INTRODUCTION & TYPES OF AUDIT**

1. Introduction to Auditing and Types of Audit
  - Origin and Evolution
  - Definition of Auditing, Features of Auditing
  - Why is it important to have an audit?
  - What is the main purpose of an audit?
  - Scope of Audit, Objectives of Auditing, Advantages and inherent limitations of Audit
  - Types of Audit
  - Distinction between Accounting and Auditing
  - Distinction between Auditing and Investigation
2. Bank Audit and Various Types of Audits in Banks
  - Emergence of Risk-based Internal Audit and its significance
  - Types of Bank Audits- Concurrent audit, Internal Audit/Information Systems
  - Audit, Statutory Audit
  - Various types of audit undertaken by Banks (other than Concurrent Audit, Internal Audit & Statutory Audit)
  - Risk-Based Supervision - A New Approach
  - Objectives of RBS, Focus of RBS, Reasons for switch over to RBS
  - Supervisory Tools
  - Risk Based Supervision - A Supervisory Programme for Assessment of Risk & Capital (SPARC)
  - SPARC Framework, Salient Features of SPARC, Stages in SPARC
  - Risk Discovery Process
  - Integrated Risk and Impact Scoring (IRISc) Model- Scope, Functioning of IRISc Model
  - Supervisory Rating and Action/Intervention Matrix
  - Supervisory Capital Prescription, Supervisory Stance/Intervention
  - Revised Prompt Corrective Action Framework

### **MODULE B: INTERNAL AUDIT**

4. Internal Audit - Role in Overall Governance
  - Evolution of Internal Audit
  - Role of Internal Audit, Facets of Internal Audit Latest Developments - Indian Scenario
  - Internal Audit as an invaluable source to the Management and Audit Committee in Corporate Governance Mechanism
5. Risk-Based Internal Audit in Banks
  - What is risk-based auditing? Need for adoption of Risk Based Internal Audit in Bank
  - Objectives of Risk-based Internal Audit, Scope of Risk-based Internal Audit
  - Comparison of RBIA with Traditional Internal Audit
  - Reserve Bank of India (RBI)/Ministry of Finance, Govt. of India (MOF, GOI) Guidelines
  - Implementation of RBIA
  - Standards for Internal Auditors, Skills needed to perform Risk Based Internal Audit, Code of Ethics, Confidentiality
  - Benefits and drawbacks of RBIA
  - Difference between Functions of Risk Management Department (RMD) and Role of Risk Based Internal Audit (RBIA)
6. Risk-Based Internal Audit Procedures
  - The Internal Audit Process - Planning Process,
  - Risk-Based Internal Audit (RBIA) Policy for Branch Audit (Domestic)
  - RBIA documentation, RBIA Procedure Document, RBIA - Five Dimensions, The methodology and the parameters used for the assessing the risk rating of Branches, Usage of Risk Score
  - Audit Prioritization/Update of Risk and Audit Universe (RAU), Developing an Internal Audit Plan and obtaining Approval of the Audit Committee
  - Submission of RBIA Reports
  - Compliance and Follow up for Compliance of Audit Report, Updated Risk Profile
  - Level of Authority for closure of Audit Reports

- Role of Audit Committee of the Board
- How to tackle difficult situations faced by the Internal Auditors during the course of Internal Audit assignment?
- Case Study on Root Cause Analysis
- Analytical Procedures, Nature and purpose of Analytical Procedures
- Use of "data analytics" on the audit front
- The Way Forward: Future of Audit
- ICAI's Standards on Internal Audit (SIA)

#### 7. Risk Management

- Definition of Internal Auditing & Risk Management
- Relationship between Internal Audit and Risk Management
- Risk Management Architecture
- Risk focused approach
- Role of Internal Audit in Risk Management and reporting areas on Management of Risks, Internal Auditor's Role, Internal Audit Process
- What is the Organization's 'Risk Maturity'?

#### 8. Data Analytics and Continuous Controls Monitoring

- Data analytics for business decision making
- Business side of Analytics, Audit side of Analytics
- Computer Aided Audit Techniques (CAATs), Data analytics matrix, The different types of CAATs
- Three types of General Audit Software for Data Analysis
- Benford's Law of Digital Analysis - Law of expected digital frequencies
- Continuous Controls Monitoring and Continuous Auditing, Need for Continuous controls monitoring and Continuous auditing
- Difference in Continuous Monitoring and Continuous Auditing
- Benefits of Continuous Monitoring and Continuous Auditing

### **MODULE C: AUDIT IN COMPUTERISED ENVIRONMENT**

#### 9. Audit in Computerized Information System (CIS) Environment - An Introduction

- Understanding CIS Environment
- Difference between Data and Information
- Relationship between Systems
- CIS Auditing Objectives, Scope of Audit in CIS Environment/Impact of CIS on Auditing
- Impact of changes on Business Process (Due to Automation)
- Impact of changes on data processing, sharing & storage/file system and organizational structure, Internal Control base & storage/file system on auditing
- Audit Approach in CIS Environment
- Auditing Standards

#### 10. Audit in Computerized Environment

- Types of Computer Systems, Classification of Computer Systems and its description, Effects of Computers on Internal Control and Auditing
- Internal Controls in a CIS/Computerised Environment
- Consideration of Controls Attributes by the Auditors
- The Control concerns arising from use of IT by Banks
- RBI guidelines on conduct of IS Audit suitable to the IT environment
- Various Circulars issued by RBI on matters pertaining to Risk Management & Controls in CIS environment

### **MODULE D: AUDIT ASPECTS OF FINANCIAL STATEMENTS OF BANKS**

#### 11. Audit Aspects of Advances

- Amounts disclosed in the Balance Sheet under the head advances
- Balance Sheet Disclosure
- Classification of Advances as per RBI Prudential Norms
- Audit of Advances - Audit Approach in general, Substantive Procedures
- Audit of Agricultural Advances, Types of Agricultural Advances, NPA Norms - Agricultural Advances, Agricultural Advances affected by Natural Calamities
- Audit of Advances - Other than Agricultural Advances, Regulatory Aspects 331
- Computation of Drawing Power/Limits in respect of stocks hypothecated
- Long Form Audit Report (LFAR)
- Examining the validity of Recorded Amounts, Examination of Loan Documents, Review of operation of account
- Inter Bank Participation Certificates (IBPCs)
- Verification of Security against Advances Examination of Advances classified as 'Secured, Verification of different types of securities against advances generally accepted by Banks
- Verification of Provision for Non-performing Assets
- Asset Classification

- Drawing Power Calculation
  - Lending under Consortium Arrangement/Multiple Banking Arrangements-Retail Assets
  - Restructuring of cases, Audit procedure for accounts falling under CDR Programme
  - Scheme for Sustainable Structuring of Stressed Assets (S4A)
  - Resolution of Stressed Assets - Revised Framework
  - Non-applicability of the guidelines on revised framework for resolution of stressed assets issued by RBI on 12/02/2018
  - Sale/Purchase of NPAs
12. Audit Aspects of Bank's Financial Statements- Assets Side (Other Than Advances)
- Disclosure requirement under Banking Regulation Act, 1949
  - Balance Sheet Disclosure
  - Balances with RBI and with other Banks
  - Money at call and short notice
  - Fixed Assets, Other Assets
  - Audit Approach/Procedures
13. Audit Aspects of Capital, Reserves & Surplus and Borrowings & Deposits
- Balance Sheet Disclosure, Contents of Schedules 1 and 2 (Capital and Reserves & Surplus)
  - Audit Approach and Procedures
14. Audit Aspects of Other Liabilities & Provisions and Contingent Liabilities
- Other liabilities and provisions and contingent liabilities
  - Balance Sheet Disclosure
  - Contents of Schedules 5 and 12 and their authentication: Schedule 5 - Other Liabilities and Provisions, Schedule 12 - Contingent Liabilities
  - Bills for Collection
  - Audit Approach and Procedures, Schedule 5 - Other Liabilities and Provisions, Schedule 12 - Contingent Liabilities, Bills for Collection
15. Audit Aspect of Treasury Operations - Forex & Derivative Transactions
- Overview of Treasury Operations in a Bank, Core functions of Treasury Operations, Increasing Regulation and Compliance Requirements
  - Investments (Schedule 8), Disclosure requirements, Statutory and Regulatory Requirements, Legal Requirements
  - Guidelines of the RBI regarding transactions in Securities
  - Audit Approach and Procedures (Investments)
  - Classification of Investments as NPI/Income Recognition Norms, Non-Performing Investments (NPIs), Classification of Govt. Guaranteed Investments as NPI, Audit Aspects (NPI)
  - Income Recognition (Investments)
  - Forex and Derivatives, RBI Guidelines on Derivatives, Audit Approach (Forex & Derivatives)
  - CRR and SLR requirements under BR Act, 1949, Compliance with CRR and SLR requirements
16. Audit Aspects of Profit and Loss Account
- Preparation of Profit and Loss Account in Prescribed Format
  - Disclosures; Accounting Policies/Accounting Standards
  - Contents of Various Schedules to Form B
  - Audit Approach and Procedures
  - Audit procedures in case of income and expenditure
17. Disclosure Requirements in Financial Statements
- Importance of 'Disclosures' in financial statements
  - Classification of Disclosure Requirements, Minimum Disclosures prescribed by RBI, Disclosure Required under Accounting Standards (ASs)
  - Requirements of statutes
  - Requirements of Listing Agreement
  - Presentation (Schedules 17 & 18)
  - Audit Approach
18. Audit Aspects of Consolidation of Branch Accounts
- Process of Consolidation
  - Audit Approach at RO/ZO level
  - Audit Approach to be followed by Financial Statements Consolidating Auditor
  - Audit Approach to be followed by the Statutory Central Auditors
  - Consolidation of Overseas Branches' Financial Statements
19. Audit Aspects of Consolidation of Financial Statements
- Guidelines on Consolidated Accounting/Consolidated Supervision
  - Consolidated Financial Statements (CFs) Components of Consolidated Financial Statements (CFs), Format of Consolidated Financial Statements
  - Responsibility of a Bank, Responsibility of the Statutory Central Auditor
  - Audit Approach and Procedures

## 20. Audit Aspect of Inter - Office Transactions

- Major transactions which occur between Branches and HO
- Major types of error in Inter-Branch Transactions
- Audit Approach/Procedures

## 21. Long Form Audit Report of Bank Branches

- Definition of LFAR
- Introduction of revised LFAR format
- Purpose of LFAR
- Important Steps to be taken while dealing with LFAR
- Latest RBI guidelines on submission of LFAR by Concurrent Auditors
- Important aspects of LFAR which require special attention while reporting in Long Form Audit Report
- Do's and Don'ts in preparation of the LFAR
- Some Important Areas to be considered by the Branch Statutory Auditor at the time of compilation of LFAR
- Illustrative list/Information which is required for compilation of LFAR by Branch Statutory Auditor
- Management Representation Letter to be obtained from the Branch Management

## 22. Long Form Audit Report of Head Office

- Need to obtain LFAR from the Statutory Auditors
- Coverage of LFAR & Audit Aspects, additional areas which needs to be considered by the Statutory Auditors, Income Tax Liability, Employee Benefits (AS 15), Off-Balance Sheet exposures
- Ghosh Committee Recommendations, Implementation of Ghosh Committee Recommendations
- Jilani Committee Recommendations, Implementation of Jilani Committee Recommendations
- RBI's Recommendations
- Responsibility of Implementation of the Ghosh and the Jilani Committee Recommendations
- Responsibility of the Management
- Responsibility of the Statutory Auditors, Audit Procedures

## 23. Basel III Regulations and Disclosures

- Need to have Capital Adequacy Norms - Basel Capital Adequacy Norms, the major changes made in Basel III over Basel II
- Capital to Risk-weighted Assets Ratio (CRAR)
- Treatment of certain Balance Sheet items
- Credit agencies accredited for the purpose of risk weighting the Banks' claims for Capital Adequacy purposes Disclosure (Pillar 3) Framework
- RBI Guidelines on Basel III - Capital Regulations
- Role of Statutory Auditors of Banks, Scope of Statutory Audit, Role of Branch Statutory Auditors, Role of Statutory Central Auditors
- Illustrative Audit Checklist for Capital Adequacy.

## 24. database Security Audit - What is Database security?

- Basic Principles of Information Security
- What are the types of database security?
- Difference between Data Security and Data Integrity
- Audit of Database Security
- Focus of Database Security Audit
- Importance and purpose of Database Security Audit
- Methods used in database security audit
- Audit Accelerators - Tools or Techniques used
- Drawing plans for Database Security Audit
- Database contents
- Database audit specification
- Database Security authentication
- Database Audit Trail

## 25. Remote Auditing

- Difference between Regular Audit and Remote Audit
- Advantages of Remote Auditing
- Disadvantages of Remote Auditing
- Limitations and risks posed by ICT in the fulfilment of Audit Objectives
- Future of remote auditing Combination of on-site and off-site (remote) audits
- ISO 19001: 2018 Guidelines on Remote Auditing using ICT
- Steps to prepare for undergoing a remote audit/virtual audit
- Limitations in remote audit from "Accredited Professional Bodies" Point of View
- RBI/ICAI Guidelines on Remote Auditing Auditor's role in remote auditing

## **MULTIPLE CHOICE QUESTIONS (MCQs) AND ANSWERS**

"The Institute conducts its examinations through Multiple Choice Questions (MCQs).

These MCQs are part of the Question Bank of the Institute and its Intellectual Property. As a

matter of policy, these MCQs and their answers will not be shared by the Institute with the candidates or others and no correspondence in this regard will be entertained."

### CONTACT DETAILS:

Register your queries through website [www.iibf.org.in](http://www.iibf.org.in) > Members/ Candidates Support Services (Help) or email all your queries to [care@iibf.org.in](mailto:care@iibf.org.in)

### MEMBER SUPPORT SERVICE OFFICE:

Indian Institute of Banking & Finance

191-F, Maker Towers, 19th Floor

Cuffe Parade, Mumbai - 400 005

Tel.: 022-2218 3302/ 2218 5134

### FOR TRAINING/ CONTACT CLASSES RELATED QUERIES CONTACT:

Leadership Centre

Indian Institute of Banking & Finance

Kohinoor City, Commercial-II, Tower-I, 3rd Floor,

Kirol Road, Off L.B.S.Marg, Kurla West, Mumbai 400 070.

Tel.: 022 25039746/ 9604/ 9907

E-mail: [training@iibf.org.in](mailto:training@iibf.org.in)

### PROFESSIONAL DEVELOPMENT CENTRES:

South Zone	North Zone	East Zone	West Zone
Indian Institute of Banking & Finance No.94, Jawaharlal Nehru Road, (100 Feet Road), Opp.Hotel Ambica Empire, Vadapalani, Chennai - 600 026. Tel:044 24722990/24727961 <a href="mailto:iibfsz@iibf.org.in">Email:iibfsz@iibf.org.in</a>	Indian Institute of Banking & Finance, C-5/30, Safdarjung Development Area(SDA), Near SDA Local Shopping complex Outer Ring Road, Opp IIT Delhi, NEW DELHI-110 016 Tel:011-2653 2194 / 2191 (office) <a href="mailto:iibfnz@iibf.org.in">Email:iibfnz@iibf.org.in</a>	Indian Institute of Banking & Finance Avani Heights, 2nd Floor, 59A, Jawaharlal Nehru Road, Kolkata - 700020 Tel: 033-46032850 <a href="mailto:iibfez@iibf.org.in">Email:iibfez@iibf.org.in</a>	Indian Institute of Banking & Finance 192-F, Maker Towers, 19th Floor, Cuffe Parade MUMBAI - 400 005

**Corporate Office:** Indian Institute of Banking & Finance, Kohinoor City, Commercial-II,

Tower-1, 2nd Floor, Kirol Road, Kurla (West), Mumbai - 400 0

Tel.: 022-2503 9746/ 9604/ 9907