

Office of the VC & MD  
WING  
Hyderabad 20  
1983

AUDIT  
Mushirabad  
Dated 4 OCT

No CA/291(1) /82 FD

### **ACCOUNTS CIRCULAR NO 32 Of 1983-84**

Sub CE WORKS-Petty maintenance and Repair works at Depots-Issue of detailed working instructions-Reg

Ref 1) Circular No PD46 / 81 -82 dt 22 9 1981

2) Accounts Circular No 7 / 1983 dt 25 1 1983

Circular at reference first cited was issued keeping in abeyance the financial powers of DMs and DVMs for incurring expenditure on petty Civil Works at Depots Circular at reference second cited was issued charging the AEs/ JEs and SOs of CED with the responsibility to attend to petty repairs and maintenance works For this purpose their Imprest Cash was increased

In the wake of doubts raised by some EEs as to the nature and financial limits of each work and requirements of formalities like preparation of work estimates and calling for tenders as in a normal case it has become necessary to issue additional instructions to serve as guidelines for the future As such the following additional instructions are issued

#### **I NATURE OF WORKS**

Enumerated below are the works to be attended to at the Depots / Workshops under petty Repairs and Maintenance Works as stipulated Vide Corporation Resolution No 71 / 1965 dt 26 5 1965

- (1) Cleaning of the Offices Keeping the rooms clean including the garages
- (2) Replacement of hinges tower bolts broken glasses of Doors / Windows / ventilators of all structures under DM / DVM or WM as the case may be
- (3) Cleaning of Lavatories and Keeping the lavatories clean and trim
- (4) Patch repairs to buildings
- (5) Replacement of broken taps to the Water Supply and keeping water taps free from leakages Filling up of deep ruts developed in the yard which damage vehicles
- (6) Minor repairs to vehicle washing platform
- (7) Cleaning of silt and grease interceptors including the drains from washing platform to washing ramp
- (8) Periodical attendance to Septic tank getting the manholes and pipe- lines cleared

- (9) Cleaning of electrical wiring and installations & fans
- (10) Upkeep of yard inside Depot and Bus Stations and also around Staff Quarters
- (11) Emergent repairs to Electrical wiring to avoid hold up of works

## II FINANCIAL LIMITS OF WORKS

Each work or works on any occasion should not exceed Rs250 / - (Rupees two hundred and fifty only)

## III ESTIMATES

As these are works of Petty nature which are hitherto attended to at Depot level by DMs / DVMs no estimates need be prepared

## IV PROCEDURE FOR TAKING UP WORK

The DM or the Unit Officer shall send a detailed letter of requisition to the Executive Engineer incharge of the Region who will instruct the respective AE/JE/SO under him to take up the work. The work should be carried out under their supervision without preparing any estimates. After satisfactory completion of the work the DM or Unit Officer shall certify as having completed the work satisfactorily in the following proforma

Certified that the work requisitioned by me vide my Lr No ----- dt-----has been carried out by the AE/JE/SO from ----- (date) to ----- (date). The material due for replacement (as mentioned in the Bills) have been replaced with new ones and the old ones were given to Stores Supervisor for sending them to Scrap yard under DS-8 Vouchers

SIGNATURE OF THE UNIT OFFICER (DM/DVM)

## V RECOUPMENT

The AE/JE/SO who has spent the amount from his Cash imprest should prepare the Recoupment Memo duly enclosing the following documents

- (1) Requisition of DM/DVM/Unit officer with the endorsement of EE/AE
- (2) Bills for the works completed
- (3) Certification of the DM/DVM/Unit officer as at Para-IV

The EE after scrutiny of the voucher will pass the recoupment and arrange cash. The Heads of Account to be debited have already been communicated vide circular second cited. The recoupment need not be pre-audited by the DY CAO (S). Instead it should be pre-audited by the accounts Superintendent of the EEs Office and submitted for post-audit along with schedule dockets to DY CAO. The AE/JE/SO who operates Cash Imprests should maintain a cash Book as per Chapter XVI of Accounts & Audit Manual

VI GENERAL

As these instructions are aimed at providing facilities for emergent petty Repairs and Maintenance Works at the Depots/Units by the staff of CED the Executive Engineers should instruct all his subordinate officials to attend to the requirements without loss of time

Sd/-  
PS RAMAMOCHAN RAO  
VICE-CHAIRMAN & MANAGING DIRECTOR

To  
All Officers of Corporation

Copy to SO (M) for inclusion in the monthly index of circulars

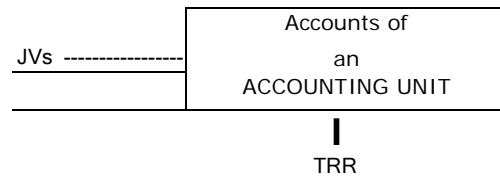
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(P JEER)  
CHIEF AUDITOR

Annexure

Sub INTERNAL AUDIT - Financial discipline regarding scrutiny of primary records of accounts and precautions to be taken by Unit Officers thereon

CASH BOOKS (MTA-51/B & PWD^t)



The accounts of an Accounting Unit are compiled from all the four primary records cited whose contribution is depicted below in brief

I CASH BOOK (MTA - 51 /B) -

This is a book of primary entry All receipts on behalf of the Unit (Depot) Accounts are recorded in it The vouchers generally accounted in the Cash Book are -

- a - Amounts received on Money Receipts
- b - DDs received from Region/ Head Office
- c - Unspent / Unpaid wages and unpaid amounts of Depot Clerks  
Cash Book (PWD-4)
- d - The retrenched amounts in audit objections
- e - All payments received in settlement of Corporation s Bills/  
Claims from outside Agencies for the services rendered by the Corporation

All Money Receipts issued as acknowledgements of Money Receipts by the Corporation should be signed by the Unit Officer only

All the amounts received and noted on the Receipts Side must be remitted into bank on the following working day to the Current Account of the Corpn through Bank's Pay in Slip. No payment should be made therefrom to any party. The golden rule that is followed is to remit all receipts into Bank and draw cash from Bank for all disbursements at Depot level. For payments to out-side parties issue cheques if the amount exceeds Rs 25/- (rupees twenty five only)

PRECAUTIONS TO BE TAKEN BY THE DEPOT MANAGER WHILE SIGNING THIS CASH BOOK ARE AS FOLLOWS

- 1) Verify the opening balances with the closing balance of the previous day
- 2) Verify the M R Book used foils to ensure that all moneys received are accounted for on the day of receipt only
- 3) Enquire from Accountant for miscellaneous receipts received if any
- 4) Verify remittances of cash into Bank with the pay-in-slip acknowledged by the banker and the date of remittance from the Bank's data stamp thereon
- 5) Verify closing balance with total of Cash specification entered in the Cash Book by the Assistant Accountant or Accountant
- 6) See whether the Asst Accountant has signed the Cash Book in full with date

NOTE

- i) Amount could be drawn un- authorisedly by omitting the recording of Money Receipts or any receipts on the receipt side and showing as remitted to Bank on the payments side though not actually remitted
- ii) Amount could be drawn un-authorizedly by omitting the complete transaction into the accounts though recorded on the Receipts and Payments side

I A CASH BOOK (PWD-4)

- 1) This is a Subsidiary Cash Book and is known as Pay Clerk's Cash Book or Depots Cash Book (Depot) or Divisional Accountants (EEs Divisions) Cash Book. It is maintained by Pay Clerks (Regional Office) by Divisional Accountants or Civil Engineering Divisions and Junior Clerk Accounts at Depots where DAO's set up has been introduced
- 2) It is meant to record all the drawals and disbursements. The Receipts side of the Cash Book is only a replica of C I R maintained by the Asst Accountant / Accountant where from all the details of amounts drawn are recorded and the disbursements thereof are recorded on the Payments side

PRE-CAUTIONS TO BE TAKEN BY D M FOR SIGNING THIS CASH BOOK (PWD-4)

- 1) Verify the opening balance with the closing balance of the previous day
- 2) Verify that all the drawals through C I R are recorded properly on the Receipts side
- 3) Verify vouchers by asking the Asst Accountant or Accountant who has recorded on the Payments side
- 4) Verify the closing balance with details of unpaid vouchers totals and payments made which he has recorded and cross check with that of total of specifications of cash
- 5) Verify whether the Asst Accountant has signed the Cash Book in full with date
- 6) Verify the physical cash and compare with the specifications shown in the Cash Book at least once in a month (a Surprise Check)
- 7) Verify the unpaid vouchers with those recorded in the Cash book totally the unpaid balances of the day
- 8) Avoid alteration and over writing of figures Wrong figure should be scored out neatly and correct figure entered clearly above the wrong figure Unit Officer should initial such scored out entries

N o t e -

- I) Amount could be drawn unauthorisedly for payment by recording a voucher as paid though actually it is not paid
- II) Amount could be drawn unauthorisedly by recording a voucher as paid on the payments side though it is not actually paid There is thus scope for temporary misappropriation

II CHEQUE ISSUE REGISTER (C I R) -

This register gives the details of amounts withdrawn from Bank with full details of vouchers for amounts drawn This is a second record of primary entry through which the details of expenditure are booked into the ledger for compilation of accounts Cheques are prepared and vouchers are also listed from the C I R

PRECAUTIONS TO BE TAKEN BY D M WHILE SIGNING THE C I R

To ensure that -

- (a) Serial Numbers are maintained
- (b) Date of drawal is recorded properly
- (c) Serialim of cheque numbers is maintained
- (d) Drawee s name as per vouchers is correctly entered
- (e) Brief particulars of amount drawn are recorded in the Particulars column
- (f) Total is correctly arrived at
- (g) Allocation of expenditure is correctly made
- (h) The Asst Accountant or Accountant has signed with dates
- (i) Voucher references are furnished for each drawal

**Note -**

Amount could be drawn unauthorisedly by wrong allocation of expenditure head and manipulations in Pay Order and Cheques The primary vouchers connected with the C I R viz Counterfoils of Pay Orders and Cheques should exhibit almost the same information as on the main folios Signing of blank Pay Order Cheque or CIR should be considered taboo

**III PAY ORDER -**

It is a document authorising payment to a person or persons giving reference to sanction or order It is divided into two portions by perforated holes

**PRECAUTIONS TO BE TAKEN WHILE SIGNING**

To ensure that —

- 1 Narration of transaction requiring drawal of amount is self explanatory and with full details
- 2 One Pay Order is prepared for one payment
- 3 Amount required is proper as per the covering expenditure vouchers
- 4 Allocation of expenditure is correctly exhibited
- 5 Amount is written both in words and figures in the relevant columns
- 6 Payee s details are properly recorded
- 7 Initials and date of the Asst Accountant/ Accountant have been properly recorded
- 8 Pay Order references are properly recorded on all the relevant documents originating the drawal of amounts
- 9 Counterfoil is a replica of original for in all respects
- 10 Seriatim of Pay Orders is maintained
- 11 Only one Pay Order book is to be kept in use till it is fully exhausted
- 12 No over-writing and scribbling of amount a e resorted to
- 13 Enfacement is properly filled up and signed by the Asst Accountant / Accountant with date
- 14 Cross reference in relevant office files are given and signed by Asst Accountant/ Accountant and Depot Manager

**NOTE -**

- (I) Amount could be boosted and drawn unauthorisedly by inserting additional figures either in prefixing or suffixing places after the signature of the Unit Officer
- (II) Amount could be drawn unauthorisedly by preparing Pay Orders and by giving reference to fictitious cases or Vouchers or repeating the vouchers for which payments were already released
- (III) Amount can be drawn unauthorisedly by Wrong allocation or by altering allocation subsequently

#### IV C H E Q U E -

Cheque is a NEGOTIABLE INSTRUMENT which is used for any financial transaction Any callousness in issue of cheques will bring in many complications as it is an instrument through which cash is transacted directly from the Bank

#### PRECAUTIONS TO BE TAKEN WHILE SIGNING CHEQUES -

- 1 Verify that all the cheque foils as mentioned on the obverse of front cover page of cheque book are correct and according to the printed numbers indicated thereon
- 2 Verify that the cheque foils are crossed with Account Payee stamps
- 3 Verify cheque from the counter- foil and CIR and ensure that all entries are similar
- 4 Verify whether the Payees name has endorsed similarly in all the records
- 5 Verify whether the amount has been written in figures and Words similarly and such wording started leaving no prefixing and suffixing spaces in the relevant columns
- 6 Verify whether the cancellation of crossings are according to the need and as per rules As per procedure in vogue only in case of Self cheque crossing and Account Payee stamps are cancelled by Unit Officer and not in other cases Any amounts above Rs25/- payable to out-side parties for services rendered or goods supplied to Corpn should be made by Account Payee Cheque only Cash should be disbursed to - staff working in the Unit in respect of Un-paid Wages Encashment of Leave Medical Reimbursement Supplementary Salary Bill Educational Assistance Settlement Salary Bill etc Payment of cash to staff does not arise in case of Gratuity payment at the Unit level
- 7 If over-writings and alterations are made in cheques intial them and score out wrong amounts by writing clearly correct amount and putting initial thereto
- 8 Verify whether the spoiled cheques have been cancelled by stamping with CANCELLATION stamp and such endorsement made in C I R

#### N o t e -

- (I) Amount could be drawn unauthorisedly by inserting figures either prefixing or suffixing the one already written in the space available in the relevant columns
- (II) Amounts could be drawn by changing the Payee s Names etc
- (III) The cheques drawn as yourselves can easily be encashed by obtaining Demand Drafts if the Bank Requisition slip for DDs are signed by Unit Officer on blank forms
- (iv) Amount could be drawn if blank cheques are signed in urgency and without regard to the instructions
- (v) Cheque Books should be under the custody of Unit Officer

#### V TRAFFIC REVENUE REGISTER (TRR) -

THIS is a book meant for recording the Earnings realised in operation of buses and Miscellaneous Earnings received by the Depot Clerk along with Bus Cash It is a sort of Journal from which all the entries will go to ledger This register provides information of amounts realised on sale of passenger and luggage tickets miscellaneous earnings like Seat Reservation Tickets Special Hire Lost property etc on the receipts side and also deficiencies refunds on cancellation of Seat Reservation Tickets and Special Hire etc on the other side and the net amount remitted into Bank for obtaining Demand Draft for transmission to Head Office/ Regional Dy Chief Accounts Officer

#### Note -

Amount could be drawn by collusion of Depot Clerk with Accountant The cash can be mis-appropriated by remitting less and charging such less amount to either Bus Warrants or Conductor's Cash Deficiencies or to any fictitious refunds However this can be detected in audit of Cash Remittance Note at the Dy CAO's Office

#### VI JOURNAL VOUCHERS (JVs) -

Journal vouchers are meant to carry out rectifications and adjustments All transactions which do not pass through the books of primary entry will be incorporated into accounts through journal vouchers

#### PRECAUTIONS TO BE TAKEN BY D M WHILE SIGNING JOURNAL VOUCHERS -

- 1) Verify the Journal Register and ascertain that such journal vouchers are recorded in it
- 2) Verify the narration of the journal vouchers and judge as to the need and authenticity for such an entry
- 3) Verify the allocation of expenditure to ascertain whether it is inter-Depot transaction or inter- Head of expenditure transaction
- 4) Verify covering vouchers of the Journal Entry

#### Note -

- (I) Amount could be drawn by transferring amount from any suspense head to the Final head of expenditure or creating a provision in any Deposit head of account by transferring to any Final head of expenditure
- (II) The Debit Advices responded can be mis- interpreted into accounts by accepting it and debiting it to any Final head of account instead of booking to Correct head of account

#### W A R N I N G -

- (i) As the human brain is Super Workshop anything can be devised to mis-use or embezzle the amounts if supervision and vigilance is not exercised by the authorities at the appropriate levels
- (ii) No plea can be attributed for the hasty transactions leading to fraudulent ways and causing pecuniary loss to the Corpn



- (iii) Single man s handling of the activities should invariable be curbed and the work of one must be checked or scrutinised by another
- (iv) Nothing should come the Unit Officer for signature without routing through all levels of Supervisors Whenever a document/ register is sent for signature of Depot Manager or Unit Officer the Supervisor should take pains to see that all documents registers etc connected with every single transaction should be presented to Depot Manager or Unit Officer at one time for signature instead of putting up piecemeal
- (v) The Unit Officer or Depot Manager must cultivate the habit of penetrating into the transactions and relevant vouchers before they are finally signed

O/ N These guidelines have the concurrence of Chief Accounts Officer

#### ANNEXURE A

The guidelines issued to the Depot Manager for clearance of Suspense Balances are summarised against each category of classifications

ITEM	GUIDELINES
1 Amounts drawn for lifting the Capsiged vehicles	Majority of amounts under this category are not exceeding Rs 200/- on each occasion and DMs have been advised to process files to RM through DVM for obtaining ratification and DY CAO for concurrence
2 Amounts drawn for Jathra expenditure	As Jathra expenditure has been paid to the Traffic Supervisor viz STIs/TTIs for making arrangements for the Jathra operations and that the expenditure having been incurred has not been covered by vouchers by the recipients of the amounts the DMs have been advised to process the file by obtaining a letter from the Traffic Supervisor about the expenditure incur red by him in connection with the Jathra and obtain ratification of RM with the concurrence of DY CAO
3 Amounts drawn towards advance for medical expenditure	As the expenditure has been made at the instance of DMs orders for medical treatment of the crew who were involved in accidents the DM have been advised to recover the amount from their salaries as the employees of the corporation are entitled for free medical facilities

- 4 Amounts drawn for payment of exgratia to the injured / deceasdpersons in involved in Accidents The payment of Ex-gratia to the deceased/ injured persons involved in accidents is Governed by Delegation of powers No 8 of Section3 The personal Wing of the DMs office Should have processed files for obtaining ratification of the competent authority immediately after payment of the above Ex-gratia As the ratifications on several cases were not obtained all these amounts are appearing in Suspense Accounts The DMs have been advised to process files now and obtain the ratification of the competent authority and clear Suspense Balance
- 5 Amounts drawn for Refreshment charges witwith the visit of VIPs/Legislature Committee es/Backward Classes Commission/Officials of Transport Department (AP GOVT) etc have been kept in Suspense account for want of sanction The DMs have been advised to process files through DVM and DY CAO to RM for ratification as the amounts have been spent on the visits of VIPs etc at the instance of VC GM or after obtaining oral orders of VC & GM
- 6 Amounts drawn for in urgent local repairs local pur chases DMTD-27 Returns and entries in the security Registers maintained at Gate and Check if all payments were made through A/C payee Cheques only and there after clear Suspense Balance by obtaining ratification of RM/DVM & concurrence of DY CAO
- 7 Amounts drawn towards Payment of MV Fines DMs were advised to process files with details of its number date of Check by M V Inspector amount of Fines compounded (Register maintained in Traffic wing or from relative files) pay order No and date (From counter foils of pay order Books) Cheque No and Date from Cheque Issue Register (CIR) and send files through RM for ratification with concurrence of CAO
- 8 Amounts paid to wards statutory Licence Fee etc Statutory payments like Telephone Rents Factory Licences Renewal of Conductors/Drivers Licences Renewal of Petroleum Licence etc DMs were advised to ascertain entries in Cheque Issue Register to see if all Cheques were

	issued as crossed and A/C payee They were advised to clear the Suspense by transferring to final Heads of Account
9 Amounts drawn for office stationery	As no entries are made either in MTD-27 Returns or Security Registers in respect of stationery purchased DMs were advised to obtain letters from Head Clerks regarding the receipt and usage of stationery in office and clear Suspense The DMs were advised to maintain Register of Stationery bought from the current month onwards to ensure accountal and usage
10 Amounts drawn for Civil Engg Works	DMs have been drawing amounts for Civil works like Levelling the Ground filling pot-holes Repairs to compound wall and Gates Cleaning the Toilets and yard water supply Equipment of Depot/Bus station This power however has been curtailed by issue of VC & GM's Circular No PD-46/81-82 dt 22 9 1981 The amounts in this category are ranging from Rs 50 to Rs 200/- and since it is stated that vouchers were either not submitted or misplaced in DM's office after submission the DM's were advised to process files and send the same to RM through DVM for ratification and concurrence of DY CAO disclosing the facts
11 Amounts drawn towards Inauguration Laying Foundations Opening of New Routes etc	In the Delegation of powers prior to 31 3 82 there was no delegation to DM/DVM/RM for incurrence of expenditure on these accounts Recently VC& GM had issued circular laying down the scales of expenditure for various occasions vide Circular No 26/77-OPD dt 26 4 1982 Clearance action may be taken accordingly
12 Amounts paid as Deposits in Law Courts	The DMs were asked to ascertain from the Standing Counsel the present stage of pendency of the cases in Law Courts and keep an effective follow up with the SC/LO The Suspense Balance should continue till Courts decision is received
13 Amounts recoverable from staff towards cost of Damages	As per the rules in force the DM can recover from Driver a maximum of Rs 540/- towards cost of Damages if the Driver is at fault Any amount over and above this limit will have to be

written off by competent authority ie VC & GM/RM DMs were advised to send files to VC & GM/RM and obtain write-off sanction

- 14 Amounts recoverable from staff towards loss of ED/Privilege bus Passes  
 A Sum of Rs 2/- recoverable from employee who fail to return ED/ Privilege Bus Pass after making the journey There are several employees who have not returned these passes and are liable for payment of fine of Rs 2/- each DMs were advised to recover the amount from the employees who are in their Depot With regard to the employees who have been transferred the DMs were advised to prepare lists of such employees and circulate them For unconnected items write off sanction be obtained form RM/DVM
- 15 Amounts recoverable from staff towards Trunk Call Charges for personal calls  
 Only in emergent cases the DM/DVMs are allowing staff to use the Trunk Call facility and they have been advised to effect recovery from the staff in one instalment and clear Suspense in a month s time
- 16 Amounts recoverable from contract holders for canteen rent etc  
 DMs were advised to maintain a Register of Canteen stall Rents due each month in the Proforma at Annexure-B and Accountant of the Depot should force entry into the books of accounts with regard to rents due based on the register It is personal responsibility of the DM to realise the amounts In case of non-payment of rent by any (Contractor DM should send Legal Notice for which a Specimen may be obtained from Law Officer
- 17 Amount recoverable towards supply of HSD oil/ Spares to Sister Undertakings  
 The RM has been requested to send DM to Sister Undertaking for realisation of dues The RM has been requested to give his priority
- 18 Amounts booked Due to Misclassification  
 The Accountant/Asst Accountant of the Depots have been cautioned to exercise a better sense of duty in as far as booking of expenditure to correct heads of account is concerned They have been advised to identify and rectify wrongly booked items
- 19 Petrol Expenditure  
 When Nationalisation of routes was taken up DVM/DMs and other officials were extensively Touring There has been heavy expenditure The

Expenditure has been incurred over and above the allotted quota of 75/150 litres per month. The DMs have been advised to obtain ratification of the VC & GM with the concurrence of CAO and transfer the debits in the books to AO (S)/HYD together with a copy of the ratification to enable the latter for incorporation of the same in the accounts.

20 Cost of HSD Oil by Crew while on line and local purchase at depots

The DMs have been advised to verify the relevant entries in the Oil Returns (MTD-290) and after satisfying that the preliminary entries the amount should be transferred to AO (S) / HO with full details enclosed to the Debit Advise