

**ANDHRA PRADESH STATE ROAD TRANSPOR CORPORATION**

...

OFFICE OF THE VC & MD AUDIT WING  
MUSHIRABAD::HYDERABAD-500 020

No CA/56(1)/AG/87-FD

DT : 6 APR 1987

**ACCOUNTS CIRCULAR NO 7 OF 1987**

Sub: STATUTORY AUDIT – Responsibility for clearance of AG's Audit objections – Formation of Audit Committees for clearance – Reg.

Ref: 1) Circular No CA/56(1)/81 dt 10 OCT 1981  
2) My DO Lr No TA1/56(PROJ)/1/82-FD dt 28 AUG 1986  
addressed to all Rms

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Managers of the Corporation are accountable for every action of their which has a monetary bearing. It is this factor of accountability that is focussed in every Audit Report ie., Inspection Report of Statutory of Internal Audit.

It is therefore important that Managers must bestow personal attention in rectifying and plugging loop-holes in practices and procedures pointed out by Internal Audit or Statutory Audit and giving timely replies to Audit indicating clearly action taken or compliance made.

This aspect is being insisted upon time and again and Managers are being guided by issuing abundant guidelines every now and then to keep clean of audit objections. But experience shows that response to audit objections is scanty and efforts are not in keeping we have at present an accumulation of around 5000 AG's Audit Paras as on 29 FEB 1987 tracing their continuity from 1972-73 onwards. ANNEXURE-'A' shows the Region-wire/Division-wise position of pending AG's Audit Paras from the year 1972-73 to 28 FEB 1987 and is enclosed herewith for ready reference. DVMs and other officials concerned shall commence their records with this information and proceed with as suggested in the following paras:

After examining the pros and cons of the matter and discussin the situation in the Eds/RMs/HODs meeting held on 28 MAR 1987, it has been now decided to centre the responsibility with DVM in case of all Depots of a Division and with HOD in case of respective Units at HO level to monitor clearance of Audit Paras from close quarters.

The following guidelines are therefore issued which comes into force with immediate effect.

- (1) Audit Committees shall be formed with the following official shown against each to review Audit Paras pertaining to both

Internal Audit and Statutory Audit.

At Head Office	At Region	At Division
i) HOD of the concerned function	(A)RM's Office (i) DY CPM (ii)DY CAO (B)Workshop/ Stores:	(i) DVM (ii) DY CAO (iii)DM concerned
ii) Chief Auditor	i) WM/COS ii) DY CAO	

NOTE: For each Committee Officer at S1.1 in the Convener

- (2) Pending Statutory Audit Paras as shown in ANNEXURE-'A' will have to be reconciled by sending a person to RAO's Office, MSRD.
- (3) The Committee shall meet in the fixed week of every month and review the pending paras D pc/Unit-wise.
- (4) It shall prepare appropriate replies to all pending paras after perusing relevant files/documents watch implementation of recoveries if any and process note to competent authority for write off/sanction etc. whatever required.
- (5) It shall peruse paras of all Units of the Division in case of Division and sub-units in case of Non-operational Units, in every meeting and finalise replies.
- (6) ANNEXURE-'B' is the proforma to be used for submission of information by DVM to RM of the region and Annexure-'C' is the proforma to be used by Rtc sumit information to Chief Auditor; every month to reach him by 10<sup>th</sup> of the month.

- (7) Chief Auditor will review the position and send a consolidated information of the Corporation to CSTO for inclusion in the monthly 'Book-let' of Performance Review for discussion in the monthly Eds/RKs/HODs meeting.
- (8) Similar action shall be taken by the concerned HOD of HO and send information to CA in ANNEXURE-'D' every month.
- (9) CA and the concerned HOD are responsible for clearance of all audit paras including the 'Factual Notes' 'Draft Paras' 'C&ag' & rEPOTS' and Reports of Committee on Public Undertaking (CPU).
- (10) The Committee is expected to clear out all paras on a year-to-year basis. It shall be endeavour of the Committee to see that no paras of previous year are carried forward to next year unsettled unless it is a Factual Note or Draft Para to be dealt to HO level.
- (11) RM shall fix up appointment with respective HOD/ED or MD to sort out reply to any para requiring their attention for finalisation and completion of action. This shall form a monthly rcuting along with all important subjects to be discussed at HO and shall proceds or succeed monthly Rms meetings.
- (12) All Officers, shall here forth send one copy of the reply sent to RAO, to Chief Auditor also without fail.

Rao, DA CAOs, DY CPAs, DVMs, DY CTMs, Wns and Controllers of Stores of Regions shall send their complience of there instructions to the undersigned before 10 MAY 1987.

The performance of this particular aspect will carry due importance in rating the merits of managers of the various committees cited.

Encl: ANNEXURES – 'A', 'B'  
'C' & 'D'

Sd/-  
(K VIJAYA RAMA RAO)  
VICE-CHAIRMAN & MANAGING DIRECTOR

// attested by //

P. ~~Jeer~~

(P JEER)  
CHIEF AUDITOR

To  
All Officers of Corporation

Copy to : RAO/AG-RTC for information.

Copy to : SO( Manual) for inclusion in the monthly index of circulars issued.

\*G.V/-