

## **ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION**

Tel/Fax+91 (40) 27615327  
E mail caoapsrtc@yahoo com

1 7 1066 Azamabad Msrd  
HYDERABAD 500 020

No MA1/4(1)/2001 02/AD

Dated 22 03 02

### **ACCOUNTS CIRCULAR NO 6 / 2002**

Sub ACCOUNTS - Common Errors while closing Mar accounts Reg

As you are aware the AG conducts audit of Annual Accounts every year at the Consolidation Centres After taking into consideration Replies furnished locally and at Corporate level the AG issues Final Audit Report which will be placed before the Legislative Assembly

While finalising Replies to the Draft Audit Report on the Annual Accounts for 2000 01 it is observed that there is scope to avoid some Omissions and Commissions if only we put in more efforts Hence all the Accounting Unit Officers and Consolidation Centres are requested to take note of the following and strive to avoid such mistakes while closing Mar 02 Accounts on hand

#### **01 MACT CLAIMS**

The AG has made the following Observations in almost all the Regions

- (a) Provision is not booked in accounts in respect of Claims settled before 31<sup>st</sup> Mar
- (b) Amounts are debited to Expenditure AHs in cases where interim Deposits are made pending final decision
- (c) Non inclusion of Pending Claims in Contingent Liabilities

Clear instructions were already issued for accountal of MACT Claims in Annual Accounts Cir Lr No MA1/4(l)/2000 01/AD dt 27<sup>th</sup> Feb 00 printed at Page 22 of the Finance Accounts and Audit Circulars and Instructions book published in Apr 01 Still Omissions and Commissions are recurring Hence the Dy CAOs and AOs of all Consolidation Centres are advised to pay special attention to this aspect This subject may also be broached in the DMs Meetings to prevent recurrence

## 02 PROPERTY TAX

The AG has noted Omissions in (a) including Property Tax cases under dispute in the List of Contingent Liabilities and (b) making Provision for known liability So greater care should be taken in this respect in coordination with the Administration Wings of the Units for correct accountal as detailed below

- (a) For the Period for which Demand Notices are already received Provision should be made for amounts admitted or accepted for payment For the Disputed portion include the amount in Contingent Liabilities Statement
- (b) For the period upto the end of current financial year for which Demand Notices are not received also accountal (Provision and Contingent Liability) should be made on the above lines

## 03 MONETARY BENEFIT

Accounting Units did not create Provision for Outstanding Expenses in respect of Claims received before closing Accounts All the Accounting Units are therefore advised to list out the Claims received before closing Mar accounts every year and bring the amounts to book as detailed below

- (a) Book the Provision {Dr AH 67s (Production Units) and AH 6061 (Other Units) and Cr AH 1132} in Mar accounts every year
- (b) Provision JE has to be reversed in Mar accounts of next year
- (c) At the time of making payments operate final Expenditure AHs only

Provision should be made only in respect of cases for which Claims are received Provision should not be created until and unless Claims are received for payment of Monetary Benefit

## 04 CAT CARDS

The AG has commented that adjustments were not made for Income received in advance in respect of sale of Cat Cards It is decided that we shall incorporate required adjustment at the Corporate level for and on behalf of all Accounting Units from 2001 02 onwards Therefore no adjustments need be earned out at Depot/Region level

## 05 DETECTING ERRORS

Further if any of the Accounting Unit Officers detect any Omissions and Commissions in respect of Provisions Misclassifications Contingent Liabilities Inter Unit Transactions etc after submission of Consolidated Accounts to the Head Office send detailed Reports to the AO (MA) HO for appropriate action at Head Office level

## 06 HEAVY SUSPENSE BALANCES

The AG has been regularly pointing about delays in clearance of Suspense Balances outstanding for more than three years towards Want of Vouchers Want of Sanctions Thefts & Embezzlements and Dues from Private Parties etc Hence special care needs to be taken to hasten up administrative action for clearance

Sd/ (K V Subba Rao)  
CHIEF ACCOUNTS OFFICER

To  
All the Dy Chief Accounts Officers  
All the Executive Engineers  
All the Accounts Officers  
All the DMs/ATMs of MGBS & DBS

Copies to the Financial Adviser and Chief Auditor