

**GOVERNMENT OF TELANGANA
MUNICIPAL ADMINISTRATION DEPARTMENT**

Office of the Commissioner & Director of
Municipal Administration,
Telangana, Hyderabad.

CIRCULAR

Lr.No.003 /DEABAS/MAARC/TS/C&DMA/2015

Date:16-04-2016.

Sub:- C&DMA – MAARC – DEABAS Live (2015-16) – Finalization of Annual Accounts for the year 2015-16 and submission to State Audit Department, for Audit – Scrutinization of Accounts by MAARCELL – Re-schedule of programme - Issued – Reg.

Ref:- 1.Letter No.003 DEABAS, MAARC, TS, C&DMA, 2014, Dt: 01-07-2015.
2. Circular Even No. Dated:08-10-2015 & 11-03-2016

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The attention of Commissioners of all the ULBs in the State, is invited to the references cited, wherein several instructions were issued to update Data Entry, complete Bank Reconciliation Statement (BRS) in DEABAS Live and rectify the negative entries for the FY 2015-16. As the measure to strengthen the Accounts in DEABAS and to perform the transactions day to day the Accounts personnel have to be more responsible to keep the accounts online. Further, as per the norms of 14th Finance Commission, the Annual Accounts have to be got Audited by the Statutory Auditors and also to take measures to improve the Revenue of the ULB (Taxes, Non-Taxes & Other Revenue Income) year to year, so as to enable the ULB to draw the eligible Performance Grant.

In view of the above all the Municipal Commissioners, are instructed to get the data entry, BRS & updating of Assets (2015-16), depreciation entries, updated DCB as on 31-03-2016, other Journal entries etc [Incase of any clarification may contact Sri.K.Ramu, Project Associate (CGG) Mobile No. 9966327795 positioned in the O/o.C&DMA] completed and finalise the Annual Accounts for the FY 2015-16. They are further instructed to send the concerned staff along with Accounts related records (i.e., Cash Book, Bank Statements & related registers) for scrutiny by this office as per the Re-scheduled programme enclosed.

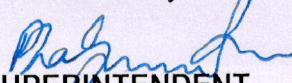
All the ULBs shall submit account for 2015-16 in DEABAS to the State Audit Department, by 20th MAY – 2016, without fail.

Encl: 1. Re-schedule of Programme
2. Process of Finalisation of Annual Accounts

**Sd/-P.Anuradha
for Commissioner & Director**

To
All the Municipal Commissioners in the State.
Copy to the Director of State Audit Dept., T.S, Hyd.
Copy to RDMAs, Hyderabad & Warangal for information and necessary action.
Copy to Domain Expert, CGG, T.S, Hyderabad for information and necessary action.

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SUPERINTENDENT

SCHEDULE OF PROGRAMME FOR SCRUTINISATION OF ACCOUNTS FOR THE YEAR
2015-16 BY THIS OFFICE

SCHEDULE TEAM – I

Team: K.Shireesha, Account Officer & Ch.Srinivas Reddy, Junior Accounts Officer,

K. Ramu, Project Associate (CGG)

Sl. No	Name of the ULB	Schedule Date
1.	Sadasivapet & Sangareddy	18-04-2016
2.	Korutla & Metpalli	19-04-2016
3.	Jagityal & Sircilla	20-04-2016
4.	Armoor & Bodhan	21-04-2016
5.	Zaheerabad & Kamareddy	22-04-2016
6.	Mancherial & Nirmal	23-04-2016
7.	Bellampally & Mandamarri	25-04-2016
8.	Kagaznagar & Adilabad	26-04-2016
9.	Bhainsa & Jangoan	27-04-2016
10.	Palwancha & Manuguru	28-04-2016
11.	Vikarabad & Kothagudem	29-04-2016
12.	Yellandu & Sathupalli	30-04-2016
13.	Tandur & Wanaparthy	02-05-2016
14.	Gadwal & Narayanpet	03-05-2016
15.	Nalgonda & Suryapet	04-05-2016
16.	Bhongir & Miryalaguda	06-05-2016
17.	Siddipet & Medak	07-05-2016
18.	Karimnagar	09-05-2016
19.	Ramagundam	10-05-2016
20.	Khammam	11-05-2016
21.	Nizamabad	12-05-2016
22.	Warangal	13-05-2016

SCHEDULE TEAM – II

**Team: M.Veerawamy, Senior Accountant, V.Krishnaiah, Senior Accountant,
A.Sai Krishna, Project Associate, K. Ramu, Project Associate (CGG)**

Sl. No	Name of the ULB	Schedule Date
1.	Kodada & Peddapalli	18-04-2016
2.	Vemulawada & Jammikunta	19-04-2016
3.	Shadnagar & Nagarkurnool	20-04-2016
4.	Gajwel & Mahabubad	21-04-2016
5.	Badangpet	22-04-2016
6.	Andol Jogipet & Dubbaka	25-04-2016
7.	Ibrahimpattanam	26-04-2016
8.	Ileeja & Parkal	28-04-2016
9.	Badepally	29-04-2016
10.	Huzurabad	30-04-2016
11.	Husnabad	02-05-2016
12.	Narsampet	03-05-2016
13.	Huzurnagar	04-05-2016
14.	Devarkonda	05-05-2016
15.	Achampet	06-05-2016
16.	Kollapur	07-05-2016
17.	Kalwakurthy	09-05-2016
18.	Medchal	10-05-2016
19.	Pedda-Amberpet	11-05-2016
20.	Madhira	12-05-2016

DEABAS-Accounts Finalization Process

The following activities should be undertaken before taking up the finalization process:

1. Updation of closing balances of previous year to opening balances of current year

Ensure that the closing balances of previous year ended to the current year before proceeding for finalization.

Except the following codes :

2. Identification of pending entries

- Pending Cash Deposit
- Pending Cheque Deposit
- Pending Contractor Payments
- Pending Suppliers Bills
- Pending Contingent Payments
- Pending salary payment
- Any other pending entries

The pending transaction can be located in the path referred against each:

Pending cash deposit	Path: Transactions > Contra > Credit Voucher –Cash deposit Select the date range between 01-04-2015 to 31-03-2016
Pending Cheque deposit	Path: Transactions > Contra > Credit Voucher – Cheque deposit Select the date range between 01-04-2015 to 31-03-2016
Pending Contractors Payment	Path: Transactions > Expenditure > Contractors > Payment Select the date range between 01-04-2015 to 31-03-2016
Pending Suppliers payment	Path: Transactions > Expenditure > Suppliers > Payment Select the date range between 01-04-2015 to 31-03-2016
Pending Contingent payment	Path: Transactions > Expenditure > Contingent >Payment Select the date range between 01-04-2015 to 31-03-2016
Pending salary payment	Path: Transactions > Expenditure > salary > Payment Select the date range between 01-04-2015 to 31-03-2016

3. Reconciliation of Chitta (System generated Cash Book)

- The closing balance of cash in hand as per chitta should tally with the cash balance as per cash book as on 31-03-2016.
- The head wise-bill and bill collector-wise cash collections should be verified with system generated cash book – as on 31-03-2016.

The cash collection, amount deposited in bank and bank scroll should be verified.

- Finally, cash balances in system generated cash book and manual cash book to be verified.

4. Reconciliation with bank/treasury balances (001, 002, 003)

Bank reconciliation should be made for all bank accounts. The user has to ensure that system generated bank balance tallies with bank balances as per manual cash book. Once both balances are agree, then only reconciliation to be undertaken.

The reconciliation should be made on system based tool which gives complete information. If no entries exist in the bank account, the user has to open reconciliation tool and generate reconciliation report.

5. Verification of cheques in hand

In case any account shows with cheques in hand balance, the ULB has to verify that the cheques are available physically and they are not deposited in the bank. The ULB should verify and ensure the correctness of the figures.

6. Reconciliation of fixed deposit balances and interest entries

ULB should ensure that all fixed deposit are entered in the accounts and interest due on fixed deposit are entered in the accounts. They physically verify the fixed deposit receipts every year. In case interest due is not credited in the account a accrual entry may be made and shown as asset.

7. Generation of trial balance and account code analysis (Dr vs Cr)

The trial balance should be generated and ensure all the entries represent correct codes as debit or credit.

Income (1)	Credit balances
Expenditure (2)	Debit balances
Liabilities (3)	Credit balances
Assets (4)	Debit balances (Except : Accumulated Depreciation

8. Analysis of advances :

All advances should be analyzed in terms of

- o Previous year advances pending (opening balances)
- o Advances paid during the year
- o Advance adjusted or recovered during the year,
- o Balances of advances outstanding at the end of the year (closing balances)

ULBs should note that advances are assets of the ULB and any advance outstanding pending adjustment or recovery should be recovered or collected from the person to whom advance is given.

9. Recognizing DCB (Demand Collection & Balance) entries

- ULB should pass necessary entries of demand to recognize the income. The demand entries relate to Property tax, Water tax, Advertisement tax, Rental income, D&O trade licenses etc. should be entered in the accounts as income. These entries should be made through debit the receivable account and credit the income account.
- Wherever receivable entry is made the collections should be credited to the respective receivable account.
- The balance under receivable account would be automatically shown in the asset. - The DCB as per the account should tally with manual record.

10. Payment of statutory deductions and proper provision for statutory deductions

- All statutory deductions such as IT,ST,PT etc which are recovered from various parties should be remitted to concerned authorities within time preferably within the financial year. In case the deduction are not remitted to the concerned authorities, liability should be created and shown in the balances sheet. As far as possible it should be avoided.

11. Updation of depreciation in asset module

- The details of fixed assets are availed in 29 forms developed by CAs and are available in separate excel sheets. Necessary asset entries should be updated with reference to date of acquisition, amount spent etc. and calculate the depreciation. The rate of depreciation and other details are available in the Manual of Fixed Asset Valuation Methodology.

12. Other important points

- Accrual of interest on loans/borrowings.
- Recording of provision for bills unpaid.
- Accrual of interest on advances.
- Reconciliation of capital work-in-progress.
- Reconciliation of inter unit/ inter fund balances.
- Passing of adjustment entries.

13. Updation of Fixed Assets

- CGG was updated individual Fixed assets in the FARS module up to 01-04-2015
- ULB persons need to verify the Data entered in the FARS module.
- Need to prepare statement as follows

GL CODE (A)	Asset uploaded With in CGG (B)	Asset As on 01-04-2015 (C)	Difference D =B-C

- Above differences value to be entered in FARS module as Miscellaneous. Assets under respective head in case of Positive
- if the differences is Negative need to pass the JV as on 01-04-2015 as rectification entry

14.New Assets for FY2015-16 :

- Need to create the assets (Under FARS Module) for the FY 2015-16by using of asset creation screen .