

Government of Karnataka

No. RDP 25 AFN 2012

Karnataka Government Secretariat
M S Building,
Bangalore, Dated: 06.06.2012

Circular

Subject: PRI Accounts Report as per Model Accounting System
Prescribed by C & AG and Government of India

Ref: 1. G.O.: RDPR/IFA/02/2011-12, dated 31st January 2011,
Adoption of Model Accounting System by Panchayath Raj
Institutions of State of Karnataka as Prescribed by C&AG and
GOI.

2. Govt. Order No. RDPR/IFA/02/2011-12, dated 30. 1. 2011

3. Letter. No. DAG (SS&LB)/2012-13/376 dtd.2.5.2012.

4. RDPR letter dated: 12.04.2012

5. Discussions held at CAOs meeting on 19.05.2012

In order to exercise proper control and securing better accountability the formats for preparation of budget and accounts and data base on the Finances of Panchayath Raj Institutions are prescribed by the Controller and Auditor General of India. Ministry of Panchayath Raj Institutions, Government of India has requested all States for maintenance of accounts in the PRIs as per the Model Accounting System. Accordingly accounting reports in 8 Formats have to be prepared and provided to Government of India.

The features of MAS includes maintenance of records which form an integral part of annual accounts such as Bank/Treasury reconciliation statements, register of receivables and payables, register of immovable and movable property, register of inventory and register of demand, collection and balance.

As per MAS accounting is under broad based classification and as per the list of major and minor heads as prescribed by the C&AG. MAS do not prescribe any sub major head classification but adopts the same to identify the scheme based on the codes list and 8 formats are prescribed to capture the accounts.

Government has already directed the PRIs to prepare the accounts for the Financial Year 2011-12 in the new format as per letter dated 12-4-2012. In the meeting of the Chief Accounts Officers held on 19-12-12, certain clarifications were sought by the Zilla Panchayaths and accordingly the following clarifications are issued to enable the PRIs for preparation of 2011-12 annual accounts.

I. Preparation of Annual Accounts: Based on the consolidated abstract of receipts and payments in the existing form No. 19, annual accounts shall first be prepared in the existing format of annual accounts as per Karnataka Zilla Panchayath / Taluk Panchayath Finance and accounts Rules. By making use of the information the annual accounts in the new 8 formats shall be prepared.

II. Accounting of Receipts.

The Grants received by the Zilla Panchayaths under State Plan and Non-Plan Schemes and the Central Schemes shall be classified under the major heads as follows.

(a) State Grants – Non-Plan - 1601-102-01
Plan - 1601-102-02

(b) Centrally Sponsored and Central Sector Plan receipts
1601-101 followed by the relevant Scheme Code.

III. Heads of accounts existing in the Zilla Panchayath Link Document but not available in the MPAS and vice versa.

The existing classification as per the Link Document has to be followed.

IV. Accounting of MNREGA expenditure:

The expenditure under MNREGA under the head of account 2505-00-101-11 as per the existing classification in the Link Document shall be accounted under the Major Head 2501 in the MPAS format by giving a suitable explanation in foot note to the accounts for the year 2011 and 12.

V. Accounting of expenditure under the Scheme Village and Small Scale Industries:

The expenditure is booked under the Head of account 2852-80-101-026. While preparing the Annual Accounts for the year 2011-12 in the MPAS format the expenditure shall be accounted under the major head of accounts 2851 by giving a suitable explanatory note to the account.

VI. Accounting of "other receipts":

For accounting other receipts under various Heads of Accounts in the Zilla Panchayath / Taluk Panchayat, the Minor Head 800 – other receipts shall be followed where there is no specific head for accounting of receipts.

VII. Preparation of consolidated abstract of register of expenditure in format II as per MPAS

The existing consolidated abstract of receipt and expenditure in Form NO. 19 as per the Finance and accounts rules of Zilla Panchayath and Taluk Panchayath shall be followed.

VIII. Preparation of reconciliation statement as prescribed in Format-III

For this purpose the existing system of Treasury Plus and Minus Memorandum in relation to Treasury transactions shall be followed. As regards bank transaction the Bank reconciliation statement shall be prepared in the prescribed format.

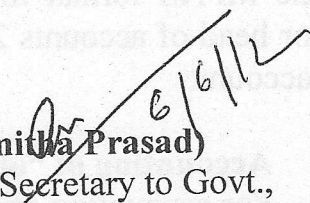
IX. Preparation of register of immovable property as prescribed in Format V

All assets of the PRIs have to be captured under this format. To start with assets pertaining to main ZP office, Primary School Building, Hospitals Social Welfare, BCM Hostels and Youth Service Buildings shall be captured. Efforts should be made to capture information pertaining to all other assets in the subsequent years in a phased manner.


X. Preparation of GP accounts in the MPAS formats

The existing accounting information available under Panchatantra shall be used for generation of GP accounts in the MPAS format.

MAS formats are already made available to all PRIs vide reference (4) above. All PRIs are hereby directed to prepare the annual accounts in the new formats before the end of June 2012. CAOs of ZP shall guide and ensure preparation of annual accounts in the new MAS formats by Taluk Panchayats and Gram Panchayat. IFA, RDPR shall be contacted for any further clarification in the matter.


(Dr. Amita Prasad)

Principal Secretary to Govt.,
Rural Development & Panchayath Raj Department.

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- 1) All the Chief Executive Officers/ CAOs of all Zilla Panchayaths
 - 2) All the Executive Officers/Accounts Officers /Accounts Superintends of Taluk Panchayats.

Copy to:

- 1) The Accountant General (LBA&A), Indian Audit & Accounts Dept, Govt. of Karnataka.
- 2) The Principal Secretary (B&R), Finance Department, Govt. of Karnataka ;
- 3) IFA, RDPR Dept, Govt. of Karnataka.