



**OFFICE OF THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS, ULAN  
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**A/Cs Circular No 6 of July 2010**

**No. A/I/13311/ACA/2009-10**

**Dated 27-07-2010**

To,

All PCsDA/CsDA  
(AN-VI Local)

**Sub: - Closing of March Manual Accounts 2010**

As per Para 25 of Defence Account Code, the Government Accounts of a year are kept open for a certain period in the following year for completion of various accounting processes including for carrying out certain inter-departmental adjustments through RBI CAS and closing of accounts of several Provident Funds and suspense heads {up to the date as notified by the RBI/CGA, Min of Fin (Department of Expenditure)}. As per time schedule prescribed by the Controller General of Accounts, the accounts for March are closed in a phased manner beginning with March (Preliminary) to account for the original transactions undertaken up to 31<sup>st</sup> March; March (Supplementary) to account for the transactions supplement to original transactions undertaken up to 31<sup>st</sup> March and March (Supplementary Corrections) to rectify the misclassifications up to 31<sup>st</sup> March. Only inescapable and important transactions of large magnitude (say Rs. One Lakh and above) are included for re-adjustment/rectification in the March Manual Account. This is intended to avoid floating of 'Journal Entries' (Proforma adjustments) to the CGA, Ministry of Finance (Department of Expenditure). Ideally there should be no compilation in the March Manual Account.

2. While examining the PM for March Manual Account, 2010 (closed on 18.06.2010), sent by the Controller Offices, it has been noticed with concern, the casual manner in which some of the Controller Offices compiled huge amounts wrongly or belatedly. This has been viewed seriously by the CGDA. While the PM have been accepted for corrections, the PCsDA/CsDA may take the following action:-

- (i) Where the erroneous compilation is Rs One Crore or more, "Recorded Warning" may be administered to the dealing hand and the supervisors in each case.
  - (ii) For compilation less than 1 Crore, "Written Warnings" may be issued by the PCDA/CDA in each case.
3. It has been noted that the cases of wrong adjustments/misclassification are on the rise every year. At the time of closing of annual account, the cases requiring readjustments/rectification create a lot of problems. At times observations are raised by the CGA, Ministry of Finance (Department of Expenditure) and DGADS after closing of account. This results in floating of Journal Entries to the CGA. Therefore, the necessity of a monitoring mechanism for flagging of inappropriate bookings / wrong adjustments/ misclassifications needs to be put in place immediately on a monthly basis.
4. The Controller Offices are, therefore, advised to introduce a monthly monitoring mechanism for review of Book Compilation with a view to watch over the cases of adverse/ inappropriate balances in their Book Compilation and taken remedial action promptly. It should be ensured that Punching Medium over 50 lakhs are included in the compilation for the month they are intended and not left out. Further, particular care should be taken in compiling opening and closing cash balances in the accounts where applicable. In this connection, it is mentioned that the head 001/00 (Cash balances brought forward) is not acceptable in March Manual Account. As such this head should not be operated in March Manual Account.
5. A record of incorrect bookings/ adjustments / misclassifications / omissions in compilation by each individual during a year will be maintained. Where repeated instances of such cases come to notice, "Recorded Warning" may be issued.
6. A confirmation on the action initiated by your office on Para 2 to 5 above may please be sent to HQrs Office. Controllers wise observations on the transactions where applicable are being sent separately.

This issues with the approval of the CGDA.

  
JtCGDA (A&B)