

My No:- NP/09/FRM/2007

Date:- 31.12.2007

**Provincial Treasury Circular No: PT/34/2007.**

Secretaries,  
Heads of Departments,  
Northern Province.

**APPROPRIATION ACCOUNT - 2007**

The Secretaries & Heads of Departments are required to prepare and sign their Annual Appropriation Accounts pertaining to their Heads of Expenditure in terms of Financial Regulation 150 and render them to the Auditor General **through the Provincial Treasury** in conformity with the instructions given below.

**2. Appropriation Account**

Appropriation Account for the year 2007 should be prepared in the newly designed forms numbered DCSF –1 to DCSF – 10 and notes (i) to (iv) attached hereto based on final figures appearing in the Final Computer Printouts in accordance with the following guideline.

- 2:1. The Final Computer Print out for 2007 and summaries annexed thereto contain provisions made in the Annual Estimates, total net provisions, total expenditure and the net effect ie. Savings or excess. These information should be reconciled with your books of accounts.
- 2:2. In preparing the Appropriation Account, total expenditure and savings / excess **should be reported to the nearest Rupee.**
- 2:3. With regard to the FR.66 and FR. 69 transfers, only the **total figure** will be indicated in the above statement for 2007. However, another statement ( computer printout ) giving detailed FR. 66 and FR.69 transfers individually will also be sent with the above summaries and figures appear in it also should be reconciled with your transfer applications before the compilation of the Appropriation Account.

### **3. Formats for the preparation of the Accounts**

The specimens of the following formats are annexed herewith to be used in the preparation of the Appropriation Account.

DCSF 1	-	Appropriation Account.
DCSF 2	-	Appropriation Account by Programme (to be prepared for each Programme)
DCSF 3	-	Recurrent Expenditure by Project ( to be prepared for each programme)
DCSF 4	-	Capital Expenditure by Project. ( to be prepared for each Programme)
DCSF 5(i)	-	Financing of Expenditure ( to be prepared for each Programme, for recurrent expenditure)
DCSF 5(ii)	-	Financing of Expenditure ( to be prepared for each Programme, for capital expenditure)
DCSF 6	-	Explanations for the Variations between total net provision and Actual Recurrent Expenditure ( to be prepared for each Programme )
DCSF 7	-	Explanations for the Variations between total Net Provision and Annual Capital Expenditure ( to be prepared for each Programme )
DCSF 8	-	Statement of Losses ( to be prepared for each Programme)
DCSF 9(i)	-	Statement of Liabilities ( to be prepared for each Programme )
DCSF 9(ii)	-	Statement of Missing Vouchers ( to be prepared for each Programme)
DCSF 9(iii)	-	Statement of Provision Transferred to the Deposit Account (( to be prepared for each Programme)
DCSF 10	-	Statement of Claims under Reimbursable Foreign Aid ( to be prepared for each Programme )
Note (i)	-	Report of the movement of Non-Current Assets.
Note (ii)	-	Summary of Control Accounts for Advance and Deposit Accounts.
Note (iii)	-	Summary Report on Imprest Accounts.
Note (iv) - a	-	The Status Report on Reconciliation of Old Bank Accounts.
Note (iv) - b	-	The Status Report on Reconciliation of New Bank Accounts.
DCSF 1(Audit)-	-	Two blank pages for the use of the Auditor General's Department .

### **4. Explanations for Variations of Total Expenditure**

4.1. Explanations for variations between total net provision and total actual expenditure need not be furnished if the savings is less than 5% of the total net provision under each object code or Rs.1,000/= whichever is higher. Reasons given in explanations for variations should be concise and informative and should be consistent with replies already given for Audit Queries, if any.

4.2. Details of Losses, liabilities, missing vouchers and Reimbursable Foreign Aid should be furnished as specified in form DCSF – 7. Foot notes relating to transfers and deposit accounts under FR 215(3)b and c and erroneous debits / credits, if any should also be given.

### **5. Presentation of the Appropriation Account**

Appropriation Account of each Ministry / Department is required to be presented as a bound volume at least cost, containing the following :

5:1. Appropriation Account should be prepared in the DCSF – 1 format and duly certified. In view of the heavy volume of information to be presented in the Account, Appropriation Account could be presented with supporting Programme Appropriation Accounts prepared to provide information in detailed manner along with further details by Projects with classifications under Recurrent and Capital Expenditure separately in the formats given as “ **DCSF - 2 to DCSF - 10** ”.

**All these detailed Accounting Statements are considered as an integral part of the Appropriation Account.**

Accordingly, as all such supporting detailed Accounting Statements are treated as an integral part of the Appropriation Account for all the purposes it is the responsibility of the Head of Department and Secretaries to take every measure to satisfy themselves as to the preparation and orderly presentation of the Account providing accurate information and adequate explanation as stipulated in FR. 150.

5:2. In addition to the format of DCSF –2 to DCSF-10, the following notes to the Appropriation Account should be completed after reconciliation of Departmental Books of Accounts with the Computer Printouts for 2007.

- Note (i) - Report of the movement of Non – Current Assets as at 31<sup>st</sup> December 2007.
- Note (ii) - Summary of Control Accounts for Advances and Deposit Accounts –2007
- Note (iii) - Summary Report on Imprest Accounts – 2007.
- Note (iv)-a - The Status Report on Reconciliation on Old Bank Accounts – 2007.
- Note (iv)-b - The Status Report on Reconciliation on New Bank Accounts – 2007

All the required formats for these notes are to be duly completed & presented along with a certificate given by the Chief Accountant and if there is nothing to be reported in a particular format it should be presented by completing it as a “NIL “ Report.

5:3. Appropriation Account should be presented as a bound volume in the following manner.

- i. Outer cover of the Bound Volume as suitably designed.
- ii. First page for “ **contents**” giving relevant **page number (at bottom)** of each supporting accounting statement and note.
- iii. Appropriation Account. - DCSF - 1
- iv. Programme Appropriation Accounts, presenting each programme in DCSF – 2 along with details in DCSF –3 to 10 , in the ascending order of the Programme numbers.
- v. Note (i) - Report of the movement of Non – current Assets.
- vi. Note (ii) - Summary of Control Accounts for Advance and Deposit Accounts.
- vii. Note (iii) - Summary Report on Imprest Accounts.
- viii. Note (iv) - a - Status Report on Reconciliation of Old Bank Accounts.
- ix. Note (iv) – b - Status Report on Reconciliation of New bank Accounts.
- x. Two blank pages for the use of the Auditor Generals Department –DCSF1– (Audit)

5:4. The Accounts should be prepared by using **A-4 papers in size.**

## **6. Certification of the Appropriation Account**

6:1. As all the detailed accounting statements presented in the DCSF formats No.2 to No.10 and notes (i) to (iv) are considered as an integral part of the Appropriation Account in conformity with the accepted practice, certification should be made by the Head of Department & Secretaries only on the main Appropriation Account presented in the format of DCSF 1, as specified. Therefore, signatories are responsible for all the information given in detailed statements.

Names with initials and designation should be clearly stated on the Account in respect of all signatories to the Account. Required amendments to the FR 150 in this regard will be informed in due course.

**7. Rendition of Accounts to the Auditor General**

7:1. It is required to take the following steps when the Appropriation Account is forwarded to the Auditor General.

- i. After due certification, the Original and other 2 copies of Appropriation Account should be forwarded to the Provincial Treasury to enable to check the correctness and forward it to the Auditor General in two copies.
- ii. The audited Appropriation Account will be distributed by Auditor General in the following manner.
  - (i) Original - To the Provincial Treasury.
  - (ii) Copy – 01. - To the Ministry / Department in charge of Expenditure Head.
  - (iii) Copy -02 - To be retained in the Auditor General’s Department

**8. Appropriation Account Formats**

The file in electronic form, containing formats of DCSF 1 to 10 and Notes (i) to (iv) is available in the Provincial Treasury and if required, it could be obtained from the Director – Accounts & Payments of the Provincial Treasury. ( Telephone : 060-2266503 ).

**9. Due date for forwarding the Account.**

9:1. The Secretaries and Heads of Departments are hereby requested to prepare their Appropriation Accounts for the year 2007, certify them and forward to this Provincial Treasury on or before 15<sup>th</sup> of March 2008 to enable this Treasury to check the correctness and forward them to Auditor General with the Chief Secretary’s certification on or before 31<sup>st</sup> March 2008 to receive audited accounts by this Provincial Treasury by 30<sup>th</sup> April 2008.

9:2. Please also note that **two separate sets** of copies of Note (i) and (ii) should be sent along with the Appropriation Account.

**10. Further clarification**

Any further clarification needed in this regard, the Director Accounts & Payments of the Provincial Treasury may be contacted at telephone Number .060-2266503.

**A.Sellathurai**  
**Deputy Chief Secretary - Finance,**  
**for Chief Secretary.**

Copies to :

- 1. Secretary to the Hon. Governor, NP.
- 2. Secretary, Ministry of Provincial Councils and Local Government, Colombo.
- 3. Auditor General
- 4. Director – Provincial Audit, NP.

} For information please.