

## **CIRCULAR NO. 172**

Instructions for watching the receipts and disposal of statements of Accounts and Audit Reports filed on behalf of the Public Trusts in accordance with the provisions of the Bombay Public Trusts Act, 1950 and the Rules framed thereunder.

SUBJECT :- (1) Read Circular dated 18<sup>th</sup> January 1968 on the above subject and this office letter No. A/Supt/5545, dated 3<sup>rd</sup> May 1963  
(2) Read Circular No. 138, dated 6<sup>th</sup> October 1971  
(3) Read Circular No. 165, dated 22<sup>nd</sup> December 1972.

The question of consolidating the various orders issued in connection with the watching of receipt and disposal of the statement of accounts and audit reports was under consideration of the Charity Commissioner for some time past. It has now been decided to consolidate the orders contained in the Circular cited above in the form of the following instructions :-

(1) Preparation of Balance Sheet in respect of Accounting Returns --

The Accountant, should maintain every year a balance sheet of Public Trusts from whom the Accounting Returns are due and not received. Separate balance sheets should be prepared according to the date of balancing the accounts. The due date should be worked out as a date after six months from the date of balancing of accounts and the registration numbers of public trusts from whom the Accounting Returns are so due should be noted down, in the balance sheet. The numbers of public trusts shall be encircled when the returns are received. In this the balance sheets will show at a glance on any day the public trusts who have not submitted the Accounting Returns.

(2) Entries in the Register of Audit Report --- On receipt of the statements of accounts and audit report necessary entries may be made in the Register of Audit Reports in the form of Schedule X as per Rule 21(2) of the Bombay Public Trusts Rules. The Clerk making entries in the Register should put his/her dated initials on the audit Report with a note of having entered the statement in the Register. The Accountant should put his dated initials on the statements when they are received by him from the Clerk making entries in the Register in token of the receipt of the statements by him.

(3) Taking Notice of Qualified Audit Reports for urgent action. --- (i) In the case of the Greater Bombay Region, where there are more than one Accountant for scrutiny work, the concerned Accountants, and in the case of other Regional Officers the Accountant in charge of scrutiny work should hurriedly go through the Audit Report (before the statements are sent in the bundles) with a view to find out whether there are any qualified remarks in the reports.

(ii) They should not down the trust numbers and years of Accounts of such qualified reports in the Diary in Form 1 annexed hereto which should be kept up-to-date with suitable remarks about the follow up action taken on the report from time to time

(4) Scrutiny of Audit Reports --- (i) Action on the statement of accounts having qualified audit reports should be taken within a month from the date of initials of the Accountant on the statements of Accounts.

(ii) In case the statement of accounts are not in the prescribed form, the same should be obtained from the trustees. However, the action on qualified report in such cases should not be withheld merely for want of statements in the prescribed form.

Letters calling explanation under Section 38 of the Bombay Public Trusts Act, should be issued within a week after the orders of the Regional Officer are taken in that behalf.

(iii) Two reminders should be issued after expiry of one month from the date of calling explanation under Section 38 from the trustees of the trust involve with an interval of a fortnight.

(iv) After receipt of the explanation from the trustees the same should be put up within a fortnight for orders of the Regional Officer.

(v) In case the explanations are not received even after issue of two reminders the relevant case papers should be submitted to the Regional Officer for orders.

(vi) The Accountant should find out if any income from the certain property of the trust is suppressed or shown less and for finding this out the Accountant should compare the Accounting Returns of the previous 2 to 3 years, with the Accounting Returns under scrutiny.

(vii) If there are any grounds for suspicion, then the Accounting Returns should be handed over for inquiry to the Inspectors under the orders of the Regional Officer.

(viii) The Accountant concerned will be personally held responsible in case he is found to have kept back accounts of public trusts containing qualifying remarks in the Audit Reports forming the part of the returns.

(ix) The Accountant should not send the accounting return qualified or otherwise to record unless specific orders of the Regional Officer is obtained to that effect.

(5) Responsibilities of the Superintendent and the Regional Officer ---

(i) The Superintendent in the Regional Office should be responsible for seeing that the follow-up action is taken in all the cases of qualified Audit Reports.

(ii) The Regional Officer should also watch that needful is being done in respect of the case of public trusts where the accounts have been received with qualifying remarks in the Audit Reports.

M. D. KAMBLI  
Charity Commissioner,

Dated :25<sup>th</sup> July, 1973.

Maharashtra State, Bombay

## FORM

Specimen form of diary to be maintained by the Accountant statements of accounts  
scrutiny qualified  
Audit Reports

Date of receipt of Audit Reports and Accounting Returns  1	Registration No. of Trust  2	Year of Accounting Returns  3	Date of submission of Note to officer  4	Date on which letter is issued to, trustees for called for an explanation under Sec.38 of clarification.  5