



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

ICAI/012/CP&GFM/TP – ULB

The Principal Secretary
Department of Urban Development & Municipal Affairs,
West Bengal

Respected Sir/Madam,

Sub: Proposal to organise training programmes/ webinars for staff of Urban Local Bodies of the State of West Bengal

Greetings from Committee on Public and Government Financial Management (CP&GFM) of the Institute of Chartered Accountants of India (ICAI)!

Improved financial reporting and management at the level of Local-Self Government, i.e., Local Bodies, is a need of hour as the role and responsibilities of Local Bodies have been evolved over time and these bodies play important role in economic growth of the Country. Financial reporting helps in managing public funds in effective and efficient manner, sound decision-making, increasing accountability & transparency in operations and performance of Local Bodies which would ultimately help Local Bodies in delivering good services to citizens, developing infrastructure in the Country and raising funds from capital market and other financial institutions.

Government of India (GoI) has taken various initiatives to improve financial reporting in Urban Local Bodies such as issuance of National Municipal Accounts Manual (NMAM), key development schemes such as Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart City Scheme, etc.

The recommendations of Finance Commissions which linked grants with accounting reforms, also focussed on implementation of accrual accounting system in Local Bodies. To fast track the reforms, recently 15th Finance Commission recommended online availability of unaudited annual accounts of the previous year and audited accounts for the year before previous year as an entry level condition (amongst others) to avail grant.

Role of ICAI:

As you may be aware that the ICAI is the apex body in the field of accountancy and auditing serving the nation since 1949. ICAI, a partner in nation building, is also involved in on-going accounting reforms and improvement of financial reporting and public financial management in various Government entities/departments including Urban Local Bodies in India. ICAI has got more than 160 branches spread across the tier I & II cities of the Country.

The ICAI through CP&GFM is issuing Accounting Standards for Local Bodies (30 ASLBs issued till date are available at https://www.icaai.org/post.html?post_id=1527). The Committee is also involved in sensitising the concerned officials and society at large about benefits of accounting reforms by organising various workshops/ training programmes, developing e-learning modules available at https://icaity.com/category.php?cat_id=21



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In the past, ICAI Accounting Research Foundation (ICAI ARF), the research arm of the Institute had also assisted Municipal Corporation of Delhi and Kolkata Municipal Corporation in their conversion project and application of financial monitoring reforms, respectively.

Since various endeavors of Government have been linked to improvement in financial reporting and management in Urban Local Bodies, there is a need to build capacity of staff of Urban Local Bodies. In this direction, ICAI through CP&GFM **hereby proposes to extend its support to Urban Local Bodies** to organise training programmes/webinars for the staff of Urban Local Bodies of the **State of West Bengal** with special reference to '**Financial Transparency and Accountability in Urban Local Bodies**'.

These capacity building programmes would be specifically structured to provide an opportunity to the participants to update their knowledge with regard to importance of accounting reforms at Local Bodies, resolving/addressing various issues and challenges being faced in the implementation of such reforms and importance of such reforms in raising funds from different sources to finance urban infrastructure and make Local Bodies self-reliant. Such programs also work as a platform to share experience of different States and lessons learnt through case studies, etc. The enclosed Annexure may please be referred for detailed proposal. The programme structure may be finalised mutually considering specific training requirements of staff. The programmes/webinars may also be conducted in regional language.

We hope that this initiative will go a long way in setting up a quality structure for robust and transparent accounting framework at the Local Bodies.

We look forward to your positive response in this regard. We hope that this collaboration would benefit the Local Bodies and society at large.

Please revert us for any further clarification/query.

Thanking You,

Yours sincerely,

CA. Kemisha Soni
Chairperson
Committee on Public and Government Financial Management

CA. Sridhar Muppala
Vice-Chairperson

CP&GFM Secretariat: 0120-3045985
E-mail: cpf.aslb@icai.in; cpf_ga@icai.in

Encl: as above

<p>शहरी स्थानीय निकायों के कर्मचारियों के लिए प्रशिक्षण कार्यक्रम/ वेबिनार आयोजित करने का प्रस्ताव</p>	<p><u>Proposal for jointly organising training programmes/webinars for staff of Urban Local Bodies</u></p>
<p>प्रशिक्षण का विषय:</p> <ul style="list-style-type: none"> ○ शहरी स्थानीय निकायों में वित्तीय पारदर्शिता और जवाबदेही 	<p>Theme of the Training:</p> <ul style="list-style-type: none"> ○ Financial Transparency and Accountability in Urban Local Bodies
<p>प्रशिक्षण की अवधि:</p> <ul style="list-style-type: none"> ○ एक दिन/दो दिन 	<p>Duration of the Training:</p> <ul style="list-style-type: none"> ○ One Day/Two Days
<p>लक्षित प्रतिभागी:</p> <ul style="list-style-type: none"> ○ शहरी स्थानीय निकायों के वित्त और लेखा अनुभागों से जुड़े कर्मचारी। (प्रशिक्षण के लिए प्रतिभागियों को राज्य/संबंधित शहरी विकास विभाग द्वारा पहचाना और सुझाया जा सकता है) 	<p>Targeted Participants:</p> <ul style="list-style-type: none"> ○ Staff associated with Finance and Accounts Sections of Urban Local Bodies. (Participants for the training may be identified and suggested by the State/ respective urban development department)
<p>प्रतिभागियों की संख्या:</p> <ul style="list-style-type: none"> ○ न्यूनतम 50 प्रतिभागी 	<p>No. of participants:</p> <ul style="list-style-type: none"> ○ Minimum 50 participants
<p>प्रशिक्षण पद्धति:</p> <ul style="list-style-type: none"> ○ प्रशिक्षण एक संवादात्मक रूप में आयोजित किया जाता है और इसमें कई केस स्टडी शामिल हैं। ○ प्रशिक्षण प्रतिभागियों को पृष्ठभूमि सामग्री और संकायों के PPT भी प्रदान किए जाते हैं। 	<p>Training Methodology:</p> <ul style="list-style-type: none"> ○ Training is conducted in an interactive form and includes a number of case studies. ○ Training participants are provided the background materials and also the PPTs of the faculties.
<p>संकाय:</p> <ul style="list-style-type: none"> ○ शहरी स्थानीय निकायों/सरकार, रूपांतरण परियोजनाओं आदि में प्रोद्भव लेखांकन कार्यान्वयन और लेखा परीक्षा के क्षेत्र में प्रासंगिक अनुभव रखने वाले पेशेवर विशेषज्ञ। 	<p>Faculty:</p> <ul style="list-style-type: none"> ○ Faculty comprises of professional experts having relevant experience in the field of accrual accounting implementation and audit in Urban Local Bodies/ Government, conversion projects, etc.

प्रशिक्षण के लिए संभावित विषयों की सूची	List of tentative topics for the Training
परिदृश्य 1: यदि दोहरी प्रविष्टि प्रोद्भवन लेखा प्रणाली को अभी लागू किया जाना है:	Scenario 1: If Double Entry Accrual Accounting System is yet to be implemented:
<p>1. स्थानीय निकायों के लिए प्रोद्भवन लेखांकन</p> <ul style="list-style-type: none"> ○ मूल बातें और प्रोद्भवन लेखा प्रणाली के लाभ ○ नकद बनाम प्रोद्भवन लेखा प्रणाली 	<p>1. Accrual Accounting for Local Bodies</p> <ul style="list-style-type: none"> ○ Fundamentals & Benefits of accrual accounting system ○ Cash vis-à-vis accrual accounting system
<p>2. ULB में लेखा और लेखा परीक्षा प्रणाली</p> <ul style="list-style-type: none"> ○ लेखांकन और लेखा परीक्षा प्रणाली की वर्तमान स्थिति ○ लेखांकन सुधारों को अनिवार्य करने की आवश्यकता: मौजूदा कानूनों और नियमों में संशोधन ○ ULB में लेखा और लेखा परीक्षा प्रणाली में सुधार करने में ICAI और CA कैसे सहायता कर सकते हैं? 	<p>2. Accounting and Auditing System in ULBs</p> <ul style="list-style-type: none"> ○ Current status of accounting and auditing system ○ Requirement to mandate accounting reforms: amendments in existing laws & rules ○ How can ICAI and CAs support in improving accounting and auditing system in ULBs
<p>3. शहरी स्थानीय निकायों के खातों को नकद प्रणाली से दोहरी प्रविष्टि प्रोद्भवन लेखा प्रणाली में परिवर्तित करना</p> <ul style="list-style-type: none"> ○ रूपांतरण प्रक्रिया में व्यावहारिक मुद्दे/चुनौतियां ○ महत्वपूर्ण लेखांकन नीतियां और प्रकटीकरण ○ केस स्टडी/सफलता की कहानियां 	<p>3. Conversion of accounts of ULBs from cash system to double entry accrual accounting system</p> <ul style="list-style-type: none"> ○ Practical issues/ challenges in conversion process ○ Significant accounting policies and disclosures ○ Case studies/ success stories
<p>4. प्रोद्भवन लेखा प्रणाली के तहत प्रारंभिक तुलन पत्र तैयार करना</p> <ul style="list-style-type: none"> ○ आस्तियों और देनदारियों के प्रारंभिक शेष का निर्धारण ○ आवश्यक समायोजन किए जाने चाहिए ○ किए जाने वाले महत्वपूर्ण खुलासे 	<p>4. Preparation of Opening Balance Sheet under accrual accounting system</p> <ol style="list-style-type: none"> a. Determination of opening balances of assets and liabilities b. Necessary adjustments to be made c. Significant disclosures to be made

5. लेखांकन की प्रोद्भवन प्रणाली के तहत खातों के चार्ट का पुनर्गठन	5. Restructuring of chart of accounts under accrual system of accounting
6. कम्प्यूटरीकृत वातावरण में दोहरी प्रविष्टि प्रोद्भवन लेखा प्रणाली का कार्यान्वयन <ul style="list-style-type: none"> ○ कार्यान्वयन के लिए IT पैकेज का उपयोग करना 	6. Implementation of double entry accrual accounting system in computerised environment <ul style="list-style-type: none"> ○ Using IT packages for implementation
परिदृश्य 2: यदि डबल एंट्री प्रोद्भवन लेखा प्रणाली लागू की गई है:	Scenario 2: If Double Entry Accrual Accounting System has been implemented:
1. सीखे गए सबक और प्रोद्भवन लेखा सुधारों की स्थिरता <ul style="list-style-type: none"> ○ मौजूदा लेखा प्रणाली का विश्लेषण ○ गैप विश्लेषण और संभावित समाधान 	1. Lessons Learnt & Sustainability of Accrual Accounting Reforms <ul style="list-style-type: none"> ○ Analysis of existing accounting system ○ Gap Analysis & possible solutions
2. प्रोद्भवन आधारित वित्तीय विवरणों की व्याख्या <ul style="list-style-type: none"> ○ समस्याओं की पहचान और विश्लेषण करने के लिए वित्तीय विवरणों का उपयोग कैसे किया जा सकता है ○ निर्णय लेने में वित्तीय विवरणों का महत्व 	2. Interpreting Accrual Based Financial Statements <ul style="list-style-type: none"> ○ How financial statements can be used to identify and analyse problems ○ Importance of Financial Statements in Decision Making
3. शहरी स्थानीय निकायों में लेखापरीक्षा <ul style="list-style-type: none"> ○ मौजूदा ऑडिटिंग सिस्टम का विश्लेषण ○ गैप विश्लेषण और संभावित समाधान <ul style="list-style-type: none"> ▪ लेखा परीक्षा समिति की भूमिका ▪ उन्नत लेखा परीक्षा रिपोर्टिंग ▪ लेखा परीक्षा में पेशेवरों की भूमिका ▪ लेखापरीक्षा में नैतिकता 	3. Audit in Urban Local Bodies <ul style="list-style-type: none"> ○ Analysis of existing auditing system ○ Gap Analysis & possible solutions <ul style="list-style-type: none"> ▪ Role of Audit Committee ▪ Enhanced audit reporting ▪ Role of professionals in audit ▪ Ethics in audit
4. IT वातावरण में ULB का लेखा परीक्षण <ul style="list-style-type: none"> ○ कम्प्यूटरीकृत सहायता प्राप्त लेखा परीक्षा तकनीक (CAAT) 	4. Auditing ULBs in IT environment <ul style="list-style-type: none"> ○ Computerised Aided Audit Techniques (CAAT)
5. भारत में आत्मनिर्भर नगर निकाय बनाना <ul style="list-style-type: none"> ○ राजस्व वृद्धि 	5. Making Self-Sufficient and Self-Sustainable Municipal Bodies in India <ul style="list-style-type: none"> ○ Revenue Augmentation

<ul style="list-style-type: none"> ○ वित्त जुटाने के नवीन और नए साधन <ul style="list-style-type: none"> ▪ मेजेनाइन फाइनेंसिंग ▪ सार्वजनिक निजी भागीदारी (PPP) ▪ नगर बांड 	<ul style="list-style-type: none"> ○ Innovative and new means of raising finances <ul style="list-style-type: none"> ▪ Mezzanine financing ▪ Public Private Partnership (PPP) ▪ Municipal Bonds
<p>6. स्थानीय निकायों के लिए लेखांकन मानक (ASLBs)</p> <ul style="list-style-type: none"> ○ ASLBs का औचित्य और महत्व ○ ASLBs के कार्यान्वयन से ULBs कैसे लाभान्वित हो सकते हैं 	<p>6. Accounting Standards for Local Bodies (ASLBs)</p> <ul style="list-style-type: none"> ○ Rationale and Significance of ASLBs ○ How can ULBs benefit from implementation of ASLBs
<p>7. स्थानीय सरकार कराधान मामले: स्थिति और अनुपालन</p> <ul style="list-style-type: none"> ○ GST ○ TDS 	<p>7. Local Government Taxation Matters: Status and compliances</p> <ul style="list-style-type: none"> ○ GST ○ TDS
<p>8. नागरिकों के प्रति शहरी स्थानीय निकायों की जवाबदेही में सुधार और नगरपालिका बजट में उनकी भागीदारी</p> <ul style="list-style-type: none"> ○ सहभागी बजटिंग ○ शहरी स्थानीय निकायों द्वारा प्रदर्शन मापन और रिपोर्टिंग 	<p>8. Improving Accountability of ULBs towards Citizens and their participation in Municipal Budgeting</p> <ul style="list-style-type: none"> ○ Participatory Budgeting ○ Performance Measurement and Reporting by ULBs
<p>9. स्मार्ट सिटी और म्यूनिसिपल बॉन्ड के लिए आगे का रास्ता</p>	<p>9. Way forward for Smart Cities and Municipal Bonds</p>
<p>वित्तीय सम्भावनाएँ:</p>	<p>Financial Implications:</p>
<p>➤ शारीरिक प्रशिक्षण कार्यक्रम के मामले में, व्यय राज्य सरकार/संबंधित शहरी विकास विभाग और ICAI द्वारा संयुक्त रूप से वहन किया जा सकता है जैसा कि नीचे सुझाया गया है:</p> <ul style="list-style-type: none"> • ICAI द्वारा वहन की जाने वाली लागत: <ul style="list-style-type: none"> ○ संकाय के TA/DA खर्च ○ संकाय को मानदेय ○ प्रतिभागियों के लिए पृष्ठभूमि सामग्री 	<p>➤ In case of physical training programme, expenditure may be borne jointly by State Government/respective Urban Development Department and ICAI as suggested below:</p> <ul style="list-style-type: none"> • Cost to be borne by ICAI: <ul style="list-style-type: none"> ○ TA/DA expenses of Faculty ○ Honorarium to Faculty ○ Background material for participants

<ul style="list-style-type: none"> राज्य सरकार/संबंधित शहरी विकास विभाग द्वारा वहन की जाने वाली अन्य रसद व्यवस्था के संबंध में लागत। 	<ul style="list-style-type: none"> Cost with regard to other logistic arrangements to be borne by the State Government/ respective urban development department.
<p>➤ आभासी प्रशिक्षण कार्यक्रम के मामले में, राज्य सरकार/संबंधित शहरी विकास विभाग पर कोई वित्तीय प्रभाव नहीं पड़ेगा। उस मामले में, मंच से संबंधित सभी लागत और संकायों को मानदेय ICAI द्वारा वहन किया जाएगा।</p>	<p>➤ In case of virtual training programme, there shall be no financial implications on State Government/respective Urban Development Department. In that case, all the cost pertaining to platform and honorarium to faculties shall be borne by the ICAI.</p>