



# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

ICAI/012/CP&GFM/TP – RLB

The Director  
Panchayati Raj Department  
Sikkim

Dear Sir/Madam,

**Sub: Proposal to build capacity of staff of Rural Local Bodies of the State of Sikkim**

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

Economic Development of India is predominantly dependent upon rural economy as India is a rural country with two third population and 70% workforce residing in rural areas. 73<sup>rd</sup> Constitutional Amendments Act empowered the panchayats by devolving them powers (fund, function and functionaries) for better planning, providing basic services to the citizens and implementation of schemes. Considering the quantum of funds being devolved to RLBs, it is necessary to have a robust system for effective monitoring of public expenditure by means of a holistic system capturing the entire gamut of activity from the planning to record the assets created from the expenditure. The XV Finance Commission has 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 to avail grants. As mentioned therein, **the expenditure required for auditing of accounts by external agencies approved by the State Government, may be borne from the 40% untied grant.**

#### **Role of ICAI:**

ICAI is the apex body in the field of accountancy and auditing. 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 RLBs 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 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://icaitv.com/category.php?cat\\_id=21](https://icaitv.com/category.php?cat_id=21) .

Since various endeavors of Government have been linked to improvement in financial reporting and management in RLBs, there is a need to build capacity of their staff through training program (virtual or physical). In this direction, ICAI through CP&GFM hereby proposes to extend its support to RLBs to **organise training programmes/webinars for their staff with special reference to 'E-Governance, Accounting and Auditing in Rural Local Bodies' to empower Rural India/Panchayats.**

These capacity building programmes would be specifically structured to provide an opportunity to the participants to update their knowledge with regard to accounting and auditing system, resolving issues and challenges being faced in the e-environment (e.g., PRIASoft/ e-Gram Swaraj, Audit online) and implementation of Government schemes in rural areas. Such programs also work as a platform to share experience of different Panchayats/RLBs and lessons learnt through case studies, etc. The enclosed



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annexure may please be referred for detailed proposal. The programme structure may be finalised mutually considering specific training requirements of staff. Such programmes/webinars may also be conducted at the level of Districts and Blocks Panchayats or even in regional language as well.

It has observed in various States that the mandated data entry/recording is not being done in panchayats. ICAI hereby proposes that the **panchayats may consider engaging Chartered Accountants/ firms thereof for data entry etc. to contribute in their journey towards financial literacy, transparency and accountability.**

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

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

Thanking You,

Yours sincerely,

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

**CA. Sridhar Muppala**  
Vice-Chairperson  
Committee on Public and Government Financial Management

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Encl.: As above

<p><b>ग्रामीण स्थानीय निकायों के कर्मचारियों के लिए प्रशिक्षण कार्यक्रम आयोजित करने का प्रस्ताव</b></p>	<p><b>Proposal for jointly organising training programmes for staff of Rural Local Bodies</b></p>
<p><b>प्रशिक्षण का विषय:</b></p> <ul style="list-style-type: none"> <li>○ सशक्त ग्रामीण भारत/पंचायतों की ओर</li> </ul>	<p><b>Theme of the Training:</b></p> <ul style="list-style-type: none"> <li>○ Towards Empowered Rural India/Panchayats</li> </ul>
<p><b>प्रशिक्षण की अवधि:</b></p> <ul style="list-style-type: none"> <li>○ एक दिन/दो दिन</li> </ul>	<p><b>Duration of the Training:</b></p> <ul style="list-style-type: none"> <li>○ One Day/Two Days</li> </ul>
<p><b>लक्षित प्रतिभागी:</b></p> <ul style="list-style-type: none"> <li>○ ग्रामीण स्थानीय निकायों/पंचायतों के प्रतिनिधि/कर्मचारी (प्रशिक्षण कार्यक्रम के लिए प्रतिभागियों को राज्य/संबंधित पंचायत या ग्रामीण विभाग द्वारा पहचाना और सुझाया जा सकता है)</li> </ul>	<p><b>Targeted Participants:</b></p> <ul style="list-style-type: none"> <li>○ Representatives/staff of Rural Local Bodies/Panchayats (Participants for the training programme may be identified and suggested by the State/ respective panchayat or rural department)</li> </ul>
<p><b>प्रतिभागियों की संख्या:</b></p> <ul style="list-style-type: none"> <li>○ न्यूनतम 50 प्रतिभागी</li> </ul>	<p><b>No. of participants:</b></p> <ul style="list-style-type: none"> <li>○ Minimum 50 participants</li> </ul>
<p><b>प्रशिक्षण पद्धति:</b></p> <ul style="list-style-type: none"> <li>○ प्रशिक्षण एक संवादात्मक रूप में आयोजित किया जाता है और इसमें कई केस स्टडी शामिल हैं।</li> <li>○ प्रशिक्षण प्रतिभागियों को पृष्ठभूमि सामग्री और संकायों के PPT भी प्रदान किए जाते हैं।</li> </ul>	<p><b>Training Methodology:</b></p> <ul style="list-style-type: none"> <li>○ Training is conducted in an interactive form and includes a number of case studies.</li> <li>○ Training participants are provided the background materials and also the PPTs of the faculties.</li> </ul>
<p><b>संकाय:</b></p> <ul style="list-style-type: none"> <li>○ पंचायतों के लेखा और लेखा परीक्षा, लेखा सॉफ्टवेयर आदि के क्षेत्र में प्रासंगिक अनुभव रखने वाले पेशेवर विशेषज्ञ शामिल हैं।</li> </ul>	<p><b>Faculty:</b></p> <ul style="list-style-type: none"> <li>○ Faculty comprises of professional experts having relevant experience in the field of accounting and auditing of panchayats, accounting softwares, etc.</li> </ul>

प्रशिक्षण के लिए संभावित विषयों की सूची:	List of tentative topics for the Training:
1. पंचायतों के लिए लेखांकन <ul style="list-style-type: none"> <li>▪ आवश्यकताएँ</li> <li>▪ लाभ</li> <li>▪ आगे का रास्ता</li> </ul>	1. Accounting for Panchayats <ul style="list-style-type: none"> <li>▪ Requirements</li> <li>▪ Benefits</li> <li>▪ The way forward</li> </ul>
2. संबंधित राज्य की पंचायतों में लेखा और लेखा परीक्षा प्रणाली <ul style="list-style-type: none"> <li>▪ मौजूदा लेखा और लेखा परीक्षा प्रणाली का विश्लेषण</li> <li>▪ गैप विश्लेषण</li> <li>▪ संभावित समाधान</li> </ul>	2. Accounting and Auditing System in Panchayats of respective State <ul style="list-style-type: none"> <li>▪ Analysis of existing accounting and auditing system</li> <li>▪ Gap Analysis</li> <li>▪ Possible solutions</li> </ul>
3. ई-गवर्नेंस प्रणाली - सूचना और संचार प्रौद्योगिकी (ICT) के माध्यम से पंचायतों को सुदृढ़ बनाना <ul style="list-style-type: none"> <li>▪ ई-पंचायत मिशन मोड परियोजना (MMP) का अवलोकन</li> <li>▪ ई-पंचायत MMP के तहत सॉफ्टवेयर एप्लीकेशन</li> <li>▪ पंचायतों में ई-गवर्नेंस प्रणाली का क्रियान्वयन - मुद्दे और चुनौतियाँ</li> </ul>	3. E-Governance System - Strengthening Panchayats through Information and Communication Technology (ICT) <ul style="list-style-type: none"> <li>▪ Overview of e-Panchayat Mission Mode Project (MMP)</li> <li>▪ Software applications under e-Panchayat MMP</li> <li>▪ Implementation of e-governance system in panchayats - issues and challenges</li> </ul>
4. पंचायतों का लेखा सॉफ्टवेयर (PRIASoft) <ul style="list-style-type: none"> <li>▪ PRIASoft में विवरण कैसे जमा करें और PRIASoft से रिपोर्ट कैसे तैयार करें</li> <li>▪ PRIASoft का प्रभावी क्रियान्वयन</li> <li>▪ ई-वित्तीय प्रबंधन प्रणाली के साथ PRIASoft का एकीकरण</li> <li>▪ PRIASoft का ऑडिट</li> </ul>	4. Accounting Software of Panchayats (PRIASoft) <ul style="list-style-type: none"> <li>▪ How to submit details in PRIASoft and generate reports from PRIASoft</li> <li>▪ Effective implementation of PRIASoft</li> <li>▪ Integration of PRIASoft with e-Financial Management System</li> <li>▪ Audit of PRIASoft</li> </ul>
5. ग्रामीण क्षेत्रों में सरकारी योजनाओं का प्रभावी क्रियान्वयन <ul style="list-style-type: none"> <li>▪ योजनाओं के लिए एक समान लेखा रिपोर्टिंग प्रणाली की आवश्यकता</li> </ul>	5. Effective implementation of Government schemes in rural areas <ul style="list-style-type: none"> <li>▪ Requirement of uniform accounting reporting system for schemes</li> </ul>

<ul style="list-style-type: none"> <li>योजना के प्रभावी कार्यान्वयन और योजना निधियों के उपयोग के लिए लेखा परीक्षा</li> </ul>	<ul style="list-style-type: none"> <li>Audit for effective implementation of scheme and utilisation of scheme funds</li> </ul>
<p>6. पंचायतों में संपत्ति प्रबंधन</p> <ul style="list-style-type: none"> <li>मौजूदा परिसंपत्ति प्रबंधन प्रणाली</li> <li>राष्ट्रीय संपत्ति निर्देशिका</li> </ul>	<p>6. Asset Management in Panchayats</p> <ul style="list-style-type: none"> <li>Existing asset management system</li> <li>National Asset Directory</li> </ul>
<p>7. माल और सेवा कर (GST)</p> <ul style="list-style-type: none"> <li>सिंहावलोकन</li> <li>प्रयोज्यता</li> <li>अनुपालन आवश्यकताएं</li> </ul>	<p>7. Goods and Service Tax (GST)</p> <ul style="list-style-type: none"> <li>Overview</li> <li>Applicability</li> <li>Compliance requirements</li> </ul>
<p>8. स्रोत पर आयकर और कर कटौती (TDS)</p> <ul style="list-style-type: none"> <li>आयकर और TDS का अवलोकन</li> <li>पंचायतों के लिए प्रासंगिक लागू प्रावधान</li> <li>अनुपालन आवश्यकताएं</li> </ul>	<p>8. Income Tax &amp; Tax Deducted at Source (TDS)</p> <ul style="list-style-type: none"> <li>Overview of Income Tax and TDS</li> <li>Relevant applicable provisions for panchayats</li> <li>Compliances requirements</li> </ul>
<p>9. पंचायतों को सशक्त बनाना : राजस्व में वृद्धि</p> <ul style="list-style-type: none"> <li>आयात निर्यात कोड</li> <li>फार्म टू कंज्यूमर (ई-कॉमर्स)</li> <li>जैविक प्रमाणन</li> <li>विस्तार को बढ़ावा देने के लिए योजनाएं</li> </ul>	<p>9. Empowering Panchayats : Augmenting Revenue</p> <ul style="list-style-type: none"> <li>Import Export Code</li> <li>Farm to Consumer (e-Commerce)</li> <li>Organic Certification</li> <li>Schemes to promote exp</li> </ul>
<p><b>वित्तीय सम्भावनाएं:</b></p> <p>➤ शारीरिक प्रशिक्षण कार्यक्रम के मामले में, व्यय राज्य सरकार/संबंधित पंचायत या ग्रामीण 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"> <li>ICAI द्वारा वहन की जाने वाली लागत: <ul style="list-style-type: none"> <li>संकाय के TA/DA खर्च</li> <li>संकाय को मानदेय</li> <li>प्रतिभागियों के लिए पृष्ठभूमि सामग्री</li> </ul> </li> </ul>	<p><b>Financial Implications:</b></p> <p>➤ In case of physical training programme, expenditure may be borne jointly by State Government/ respective panchayat or rural department and ICAI as suggested below:</p> <ul style="list-style-type: none"> <li>Cost to be borne by ICAI: <ul style="list-style-type: none"> <li>TA/DA expenses of Faculty</li> <li>Honorarium to Faculty</li> <li>Background material for participants</li> </ul> </li> </ul>

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