



ICAI/012/CP&GFM/TP – 15th FC State Nodal Officers

Shri Kalyan Kumar Rath,
Additional Secretary, and
State Nodal Officer for
XVth Finance Commission,
Odisha

Sub: Proposal to support Urban Local Bodies of the State of Odisha in implementation of 15th Finance Commission recommendations

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

Dear Sir,

The Institute of Chartered Accountants of India (ICAI) is the apex body in the field of accountancy and auditing serving the nation since its establishment by an Act of Parliament in the year 1949. As a partner in nation building, the ICAI through CP&GFM is also involved in improvement of financial reporting and management in Central & State Government (s) and Local-Self Government (including Urban Local Bodies) in India by organising workshops/ training programmes, developing e-learning modules for use of officials of Local Bodies (available at https://icaiv.com/category.php?cat_id=21).

To fast track the reforms in ULBs, 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 by ULBs. Similar recommendations were made by earlier Finance Commissions as well; however, these recommendations linked to improvement in financial reporting and management in ULBs are yet to bear the desired results for want of availability of adequate capable personnel/ staff in ULBs and their capacity building.

In this direction, ICAI through CP&GFM hereby proposes to extend its support to ULBs to organise training programmes/webinars for the staff of Urban Local Bodies of the State of Odisha with special reference to '**Accounting and Auditing in ULBs**' to support them to successfully fulfil the conditions of 15th Finance Commission in ULBs of your State and avail benefit of grants provided. These capacity building programmes would be specifically structured to provide them an opportunity to update their knowledge relating to accounting, auditing and augmenting revenue of ULBs. The suggested topics for the programme are enclosed herewith that can be tailored as per the specific training requirements. The programmes/webinars may also be conducted in regional language.

Here, we may mention that recently, a similar program was organised for Punjab State wherein almost 150 officials/staff of Punjab ULBs participated. We hope that this initiative will go a long way in fulfilling the knowledge upgradation requirements of the ULB's staff.



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

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

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Encl.: As above

Proposal for jointly organising training programmes/webinars for staff of Urban Local Bodies

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| Theme of the Training | : Financial Transparency and Accountability in Urban Local Bodies |
| Duration of the Training | : One Day/Two Days |
| Targeted Participants | : Staff associated with Finance and Accounts Sections of Urban Local Bodies |
| No. of participants | : Minimum 50 participants (if physical) and no limit in virtual programmes |
| Faculty | : 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

Scenario 1 : If Double Entry Accrual Accounting System is yet to be implemented

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| 1. स्थानीय निकायों के लिए accrual accounting | 1. Accrual Accounting for Local Bodies |
| 2. ULB में लेखा और लेखा परीक्षा प्रणाली | 2. Accounting and Auditing System in ULBs |
| 3. ULBs के खातों को cash system to double entry accrual accounting system में परिवर्तित करना | 3. Conversion of accounts of ULBs from cash system to double entry accrual accounting system |
| 3. Accrual Accounting के तहत प्रारंभिक तुलन पत्र तैयार करना | 4. Preparation of Opening Balance Sheet under accrual accounting system |
| 4. लेखांकन की accrual accounting के तहत chart of accounts का पुनर्गठन | 5. Restructuring of chart of accounts under accrual system of accounting |
| 5. कार्यान्वयन के लिए IT पैकेज का उपयोग करना | 6. Implementation of double entry accrual accounting system in computerised environment |

Scenario 2 : If Double Entry Accrual Accounting System has been implemented

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| 1. लेखा सुधारों की स्थिरता | 1. Lessons Learnt & Sustainability of Accounting Reforms |
| 2. Accrual आधारित वित्तीय विवरणों की व्याख्या | 2. Interpreting Accrual Based Financial Statements |
| 3. ULBs में लेखापरीक्षा | 3. Audit in Urban Local Bodies |
| 4. IT वातावरण में ULBs का लेखा परीक्षण | 4. Auditing ULBs in IT environment |
| 5. भारत में आत्मनिर्भर नगर निकाय बनाना | 5. Making Self-Sufficient and Self-Sustainable Municipal Bodies in India |
| 6. स्थानीय निकायों के लिए लेखांकन मानक (ASLBs) | 6. Accounting Standards for Local Bodies (ASLBs) |
| 7. स्थानीय सरकार कराधान मामले: स्थिति और अनुपालन | 7. Local Government Taxation Matters: Status and Compliances |
| 8. नागरिकों के प्रति ULBs की जवाबदेही में सुधार और नगरपालिका बजट में उनकी भागीदारी | 8. Improving Accountability of ULBs towards Citizens and their participation in Municipal Budgeting |
| 9. स्मार्ट सिटी के लिए आगे का रास्ता और म्यूनिसिपल बॉन्ड | 9. Way forward for Smart Cities and Municipal Bonds |

Financial Implications:

- In case of physical training programme, expenditure may be borne jointly by State Government/respective Urban Development Department and ICAI as suggested below:
 - Cost to be borne by ICAI:
 - TA/DA expenses of Faculty
 - Honorarium to Faculty
 - Background material for participants
- Cost with regard to other logistic arrangements to be borne by the State Government/ respective urban development department.
- 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.