



भारतीय सनदी लेखाकार संस्थान
(संसदीय अधिनियम द्वारा स्थापित)
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

19th April 2024

Smt. Manisha Panwar, IAS
Additional Chief Secretary
Rural Development Department
Uttarakhand

Dear Mam,

Sub: Proposal to support in capacity building of account/ finance staff of RLBs of state of Uttarakhand

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

73rd Constitutional Amendments Act empowered the panchayats by devolving them powers for better planning, service delivery and implementation of schemes. As per Fifteenth (XV) Finance Commission 2021-2026, total size of grant to local government is Rs. 4,36,361 crores, out of which a sum of Rs. 2,36,805 is earmarked for Rural local bodies (RLBs)/panchayats. Considering the quantum of funds devolved to RLBs, it is necessary to have a robust system for effective monitoring of public expenditure in place. XV Finance Commission also 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.

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 170 branches spread across the tier I & II cities of the Country.

The ICAI through CPGFM 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://icaity.com/category.php?cat_id=21. The Committee is also providing technical support for Certificate Courses for Accountants of Panchayats and Municipal Bodies (i.e., a joint initiative of ICAI & O/o C&AG) details of which are available at <https://lba.icaiarf.org.in/>

Committee hereby proposes:

- 1) To jointly organise capacity building programme/ webinars of accounts/finance staff of RLBs of state of Uttarakhand** with special reference to 'E-Governance, Accounting and Auditing in Rural Local Bodies' to empower Rural India/Panchayats (tentative programme structure is enclosed as Annexure A). The programme structure



भारतीय सनदी लेखाकार संस्थान
(संसदीय अधिनियम द्वारा स्थापित)
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

may be finalised mutually considering specific training requirements of staff. The programmes/webinars may also be conducted in regional language.

- 2) To enter into a Memorandum of Understanding (MoU) for continuous skill development of accounts/finance officials of RLBs of state of Uttarakhand** on mutually agreed themes such as Accounting, Budgeting, Auditing, Direct Tax and Goods and Service Tax, Accounting and Auditing in IT environment and other related contemporary topics (*a copy of MoU entered by ICAI through CPGFM with the Commissioner of Treasuries and Accounts, Government of Tamil Nadu is enclosed herewith for your kind reference*). Suggested terms of MoU are as follows:
- The trainings may be organised in class-room as well as in virtual mode.
 - Minimum number of participants should be 50.
 - The classroom trainings should be organised preferably in the capital of the State.
 - The soft copy of the background material will be provided.
 - Wherever Auditorium/ITT labs are available within ICAI Premises, their usage will also be offered depending upon their availability.
 - ICAI will bear only the cost of faculty.
 - Other arrangements will be required to be made by your department.

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 RLBs and society at large.

Please revert us for any further clarification/query.

Thanking You,

Yours sincerely,

CA. Kemisha Soni
Chairperson

CA. Prasanna Kumar D
Vice-Chairperson

Committee on Public and Government Financial Management
The Institute of Chartered Accountants of India
CPGFM Secretariat: 0120-3045985
E-mail: cpf.aslb@icai.in; cpf_ga@icai.in
CPGFM Portal: <https://cpgfm.icai.org/>
CPGFM Twitter Handle: @cpgfmicai

Encl: as above



भारतीय सनदी लेखाकार संस्थान
(संसदीय अधिनियम द्वारा स्थापित)
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

Annexure

**Proposal for jointly organising training programmes for staff
of Rural Local Bodies**

Theme of the Training:

- Towards Empowered Rural India/Panchayats

Duration of the Training:

- One Day/Two Days

Targeted Participants:

- Staff associated with Finance and Accounts Sections of Rural Local Bodies (Participants for the training may be identified and suggested by the State/ respective rural development department)

No. of participants:

- Minimum 50 & maximum 100 participants (classroom programmes)
- Minimum 50 & maximum 500 participants (virtual programmes)

Training Methodology:

- 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.

Faculty:

- Faculty comprises of professional experts having relevant experience in the field of accounting and auditing of panchayats, accounting softwares, etc.

Tentative list of topics for the Training:

1. Accounting for Panchayats
 - Requirements
 - Benefits
 - The way forward
2. Accounting and Auditing System in Panchayats of respective State



भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

- Analysis of existing accounting and auditing system
 - Gap Analysis
 - Possible solutions
3. E-Governance System - Strengthening Panchayats through Information and Communication Technology (ICT)
- Overview of e-Panchayat Mission Mode Project (MMP)
 - Software applications under e-Panchayat MMP
 - Implementation of e-governance system in panchayats - issues and challenges
4. Overview of E-gramwaraj Platform
5. Effective implementation of Government schemes in rural areas
- Requirement of uniform accounting reporting system for schemes
 - Audit for effective implementation of scheme and utilisation of scheme funds
6. Asset Management in Panchayats
- Existing asset management system
 - National Asset Directory
7. Goods and Service Tax (GST)
- Overview
 - Applicability
 - Compliance requirements
8. Income Tax & Tax Deducted at Source (TDS)
- Overview of Income Tax and TDS
 - Relevant applicable provisions for panchayats
 - Compliances requirements
9. Empowering Panchayats : Augmenting Revenue
- Import Export Code
 - Farm to Consumer (e-Commerce)
 - Organic Certification

Financial Implications:

- In case of physical training programme, expenditure may be borne jointly by State Government/ respective panchayat or rural department and ICAI as suggested below:

- Cost to be borne by ICAI:



भारतीय सनदी लेखाकार संस्थान
(संसदीय अधिनियम द्वारा स्थापित)
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

- TA/DA expenses of Faculty
 - Honorarium to Faculty
 - Background material for participants
- Wherever Auditorium is available within ICAI Premises, their usage will also be offered depending upon their availability. But in that case, catering expenses will be required to be reimbursed by your department.
- Cost with regard to other logistic arrangements to be borne by the State Government/ respective panchayat or rural department.

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.