

Award Criteria of Annual Reports for ICAI Awards for Best Promotion of Accounting Reforms in Local Bodies 2024-25	
For Category Urban Local Bodies (ULBs)	
<b>Parameters and Criteria for Evaluation</b>	
<b>I. Overview Profile</b>	
About ULB (including functioning, geographical information, date of formation, regulated by, awards & achievements, etc.)	
Statement on Vision, Mission & Core Values/ Ethical Principles	
Organisation & Governing Structure and Profile/ Details of Office bearers (including details of Mayor, Commissioners, and Committee members etc.)	
Comprehensiveness and clarity of information about structure and functioning of ULB	
<b>II. Governing Body's Statement / Report</b>	
Content & comprehensiveness of coverage of matters	
Information related to non-adjusting post balance sheet events	
Presentation of any other information relevant and useful from stakeholders' perspective in the specific context of the ULB's activities like issue of bonds, revenue augmentation initiatives, etc.	
Consistency of information included in Governing Body's statement/ Report with underlying financial statements	
Information as to compliances and non-compliances with the mandatory requirements of the concerned Statutes and Regulators and whether there are appropriate explanations for such non-compliances. (pertaining to both financial and non-financial information)	
Clarity of description of role and responsibilities of various governance committees of the ULB like Standing Committee, Finance Committee, etc. including their composition, attendance, meetings, etc.	

Adequacy of the governance measures and policies adopted by the ULB in the context of the size and nature of the entity as well as diversity in terms of gender, qualifications and professional experience of Commissioner, Mayor & Other Committee Members including policies such as Code of Conduct, Complaints redressal policy, etc.

### **III. Discussion and analysis**

Comprehensiveness of content, in general

Overview of the current state of affairs of the ULB, future prospects and plans

General review of the performance of the ULB as a whole and nature of its activities (including information about innovation & upgraded technology)

Performance of various programs, projects, workshops, activities, etc. of the ULB during the period under review, future plans and prospects (including sustainability initiatives, and credit rating)

Description of the ULB's policy relating to human resource engagement, training and development, including information on measures taken by the ULB to meet its obligations and responsibilities towards employees in particular, measures relating to participation of disadvantaged members of the community, working environment, career progression, health, hygiene, safety, personal development and so on.

### **IV. Technical Content – Financial Statements**

Basis of Preparation of Financial statements (including disclosure of basis of accounting followed – cash or accrual; going concern; framework followed (National Municipal Accounts Manual (NMAM)/ State Municipal Accounts Manual (SMAM)/ Accounting Standards for Local Bodies (ASLBs)))

Preparation of complete set of financial statements like:

(i) Balance Sheet with schedules

(ii) Income & Expenditure Statement with schedules

(iii) Cash Flow Statement with schedules
(iv) Receipt and Payment Account with schedules
(iv) Notes to Financial Statements:
(a) Disclosure of Significant Accounting Policies
(b) Consistency, Clarity, Adequacy and Conciseness of accounting policies
(c) In case of change of accounting policies, the adjustment & disclosure as per applicable requirement.
(d) Disclosure of significant estimates, assumptions and judgements made
(v) Disclosure of comparatives in financial statements
(vi) Disclosure of the policy regarding the expensing of assets below a specified amount (e.g., Rs. 5,000) in the year of purchase
(vii) Disclosure of depreciation rates & methods
(viii) Disclosure of income or expense in case it is more than 1% of total gross income of the ULB or Rs. 1,00,000 whichever is higher
(ix) Disclosure of comparison of actuals with budgeted figures and clarity of explanations as to variances and reasons of variances from budgeted figures
Compliance with:
(i) Applicable framework like National Municipal Accounts Manual, State Municipal Accounts Manual, etc.
(ii) Accounting Standard for Local Bodies
(iii) Guidance Notes/Technical Guides and other authoritative literature issued by ICAI as is relevant in the context of ULB
Overall Assessment of Financial Statements
Timeliness of information availability to the Governing Board

<b>V. Audit requirements</b>
Whether the accounts are audited/ certified.
Whether the accounts have been audited/ certified within the prescribed timelines.
Description of external oversight of various functions like systems audit, internal audit by an external specialist and other measures taken to enhance credibility of systems for internal controls and financial reporting.
<b>VI. General – Overall presentation of the annual report</b>
Whether hyperlinking of index to the main sections of report is there for easy navigation & dragging.
Readability of the financial report:
(a) Layout of the annual report clearly distinguishing between various segments of the report
(b) Type of font, size, single screen viewing etc.
(c) Disclosure of unit of measurement, rounding off criteria adopted, etc. and whether there is consistency of adoption of the same throughout the annual report.
(d) Color scheme adopted
(e) Presentation and analysis of information about financial performance through graphs, charts, tables, etc. foretter clarity and understandability.
(f) Adequacy of cross referencing of schedules and various segments of the annual report
(g) Overall aesthetics of presentation
<b>VII. Additional Disclosures - Ratio Analysis, key performance indicators, service level benchmarks, etc.</b>