CHECKLIST OF REFORMS
MUNICIPAL ACCOUNTING

DESIRED OBJECTIVES:
Note: JNNURM requires certain reforms to be undertaken by states/cities in Municipal Accounting, with the objective of having a modern accounting system based on double-entry accrual principles, leading to better financial management, transparency and self-reliance.

1. **CURRENT STATUS**
   a. Please provide a short note on the present method of accounting being followed in your city

   
   
   
   
   

   b. Please provide the status of completion and adoption of accounts, and if they have been audited and published in the last 3 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Adopted</th>
<th>Audited</th>
<th>Published</th>
</tr>
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<tbody>
<tr>
<td>2002-2003</td>
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<td>2003-2004</td>
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<td>2004-2005</td>
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   c. Please state whether the State/city has drawn up its own accounting manual

      Yes     No

   d. Please state whether the State/city has adopted NMAM

      i. without modifications

      ii. with modifications

   If NMAM has been adopted with modifications, please state these:

   
   
   
   
   

e. Please state whether State has modified its current appropriate laws and regulations to be in compliance with the double-entry accrual principles. If yes, please provide date of such modification.  

Yes  No  Date

f. If applicable, please provide current status of implementation of double-entry accrual system.

2. TIMELINE FOR ACTION ON REFORMS

a. Resolution by Government expressing commitment to establish modern municipal accounting system. (Note: This resolution should be passed within 6 months of signing of MOA under JNNURM and a copy submitted to MOUD.)

b. GO/Legislation/Modification of rules for migrating to double-entry accounting system  

Year1  Year2  Year3  Year4  Year5  Year6  Year7

c. Appointment of consultants for development of State manual (either based on NMAM or independently)  

Year1  Year2  Year3  Year4  Year5  Year6  Year7

d. Completion and adoption of manual  

Year1  Year2  Year3  Year4  Year5  Year6  Year7

e. Commence training of personnel  

Year1  Year2  Year3  Year4  Year5  Year6  Year7

f. Appointment of field-level consultant for implementation at the city-level  

Year1  Year2  Year3  Year4  Year5  Year6  Year7

g. Notification of cut-off date for migrating to the double-entry accounting system  

Year1  Year2  Year3  Year4  Year5  Year6  Year7
h. Business Process Re-engineering (if required) Year1 Year2 Year3 Year4 Year5 Year6 Year7

i. Valuation of assets and liabilities Year1 Year2 Year3 Year4 Year5 Year6 Year7

j. Drawing up of opening balance sheet (OBS):
   i. Provisional OBS Year1 Year2 Year3 Year4 Year5 Year6 Year7
   ii. Adoption of provisional OBS Year1 Year2 Year3 Year4 Year5 Year6 Year7
   iii. Finalisation of OBS Year1 Year2 Year3 Year4 Year5 Year6 Year7

k. Full migration to double-entry accounting system Year1 Year2 Year3 Year4 Year5 Year6 Year7

l. Production of financial statements (income-expenditure accounts and balance sheet) Year1 Year2 Year3 Year4 Year5 Year6 Year7

m. Audit of financial statements Year1 Year2 Year3 Year4 Year5 Year6 Year7

n. Adoption of accounts Year1 Year2 Year3 Year4 Year5 Year6 Year7

o. Preparation of outcome budget Year1 Year2 Year3 Year4 Year5 Year6 Year7

p. Complete re-vamp of the Public Financial Management (PFM) cycle, which includes internal controls Year1 Year2 Year3 Year4 Year5 Year6 Year7
<table>
<thead>
<tr>
<th>Question</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
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<tr>
<td>q. Credit rating of ULB/parastatal (if required)</td>
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<td>r. Any other reform steps being undertaken (please use additional space to specify)</td>
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