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

Year	Adopted	Audited	Published
2002-2003			
2003-2004			
2004-2005			

c. Please state whether State/city has drawn up its own accounting manual

Yes	No			

- d. Please state whether 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 con
 - 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 Image: State S
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.	Buisiness 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
1.	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
0.	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

q.	Credit rating of ULB/parastatal (if required)	Year1		 Year4		Year7
r.	Any other reform steps being undertaken (please use additional space to specify)	Year1	Year2	 	 	