

**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.

**In Surat Municipal Corporation Accrual Type of Double Entry Accounting System is in operation since 1992.**

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

Under the provisions of the B.P.M.C.Act the Municipal Chief Auditor is the statutory auditor who reports directly to the General board of the Municipal Corporation. Hence there is no system of external auditing. However SMC is in the position of proposing a system of auditing to be carried out by an independent external auditor.

Year	Adopted	Audited	Published
2002-2003	<b>Yes (Done)</b>	<b>Yes (Done)</b>	<b>Yes (Done)</b>
2003-2004	<b>Yes (Done)</b>	<b>Yes (Done)</b>	<b>Yes (Done)</b>
2004-2005	<b>Yes (Done)</b>	<b>Yes (Done)</b>	<b>Yes (Done)</b>

- 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:

Modifications are minor which are specific to the working of the Corporation and nature of service provided. There are no major changes from original NMAM.

- 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.

NO

Under consideration of the State Government.

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

Accrual Type of Double Entry Accounting System in operation since 1992.

**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.)

YES

- 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

# Surat Municipal Corporation, Surat

*Checklist of Reforms: Municipal Accounting*



g.	Notification of cut-off date for migrating to the double-entry accounting system	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h.	Business Process Re-engineering (if required)	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i.	Valuation of assets and liabilities	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j.	Drawing up of opening balance sheet (OBS):	Year1	Year2	Year3	Year4	Year5	Year6	Year7
	i. Provisional OBS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Adoption of provisional OBS	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	iii. Finalisation of OBS	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k.	Full migration to double-entry accounting system	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l.	Production of financial statements (income-expenditure accounts and balance sheet)	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m.	Audit of financial statements	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n.	Adoption of accounts	Year1	Year2	Year3	Year4	Year5	Year6	Year7
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

o. Preparation of outcome budget

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

p. Complete re-vamp of the Public Financial Management (PFM) cycle, which includes internal controls

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

q. Credit rating of ULB/parastatal (if required)

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

r. Any other reform steps being undertaken (please use additional space to specify)

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sharing of quarterly, half yearly annual accounts with various stake holders. Computer driven Project Monitoring and Billing System.