

राजस्थान सरकार  
स्वायत्त शासन विभाग, राजस्थान, जयपुर  
G-3, Raj Mahal Residency Area, Civil Line Phatak, Jaipur

E-Mail- caodlb@gmail.com

Tel/Fax No.- 0141-2223074

क्रमांक: प.6(च)( )लेखा/डीएलबी/एमओयू/2015/ 23751-94 दिनांक : 14-1-18

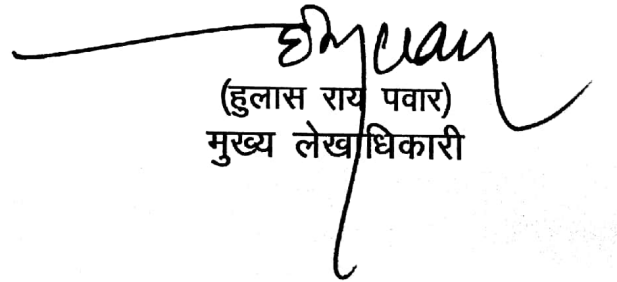
आयुक्त/अधिशायी अधिकारी,  
नगर निगम/परिषद/पालिका,  
समस्त राजस्थान।

विषय:- अगस्त माह में जनाग्रह द्वारा आयोजित सम्मान समारोह की ईवेन्ट रिपोर्ट को नगरीय निकायो के साथ साझा किये जाने बाबत।

उपरोक्त विषयान्तर्गत लेख है कि जनाग्रह सेन्टर फॉर सिटीजनसिप एण्ड डेमोक्रेसी, बेंगलोर द्वारा अगस्त माह में नगरीय निकायो में लेखांकन एवं अंकेक्षण सुधार क्षेत्र में उत्कर्ष कार्य किये जाने पर निकायो को पुरुस्कृत किये जाने हेतु विभाग एवं जनाग्रह द्वारा दिनांक 22.08.2017 को कृषि अनुसंधान केन्द्र, दुर्गापुरा जयपुर में पुरुस्कार वितरण समारोह आयोजित किया गया था। जिसमें सर्वश्रेष्ठ कार्य करने वाली निकायो को माननीय मंत्री महोदय स्वायत्त शासन विभाग, राजस्थान सरकार द्वारा सम्मानित किया गया था।

उपरोक्त सम्मान समारोहो पश्चात् जनाग्रह द्वारा एक ईवेन्ट रिपोर्ट प्रकाशित की गई है। जनाग्रह द्वारा प्रकाशित उपरोक्त ईवेन्ट रिपोर्ट को सभी नगरीय निकायो को उपरोक्त पत्र के साथ संलग्न कर प्रेषित किया जा रहा है।

संलग्न:- प्रकाशित ईवेन्ट रिपोर्ट।

  
(हुलास राय पवार)  
मुख्य लेखाधिकारी

# Event Report : Felicitation of ULBs in Rajasthan for outstanding performance in Accounting and Audit Reforms

Jaipur  
22 August 2017



सत्यमेव जयते

Local Self Government Department  
Government of Rajasthan



JANAAGRAHA CENTRE FOR CITIZENSHIP & DEMOCRACY

ULBs in Rajasthan achieved a major milestone in migrating from single entry accounting to double entry accounting, producing audited financial statements through empanelled Chartered Accountants and took the first step towards financial sustainability to enable them to provide a good quality of life to citizens

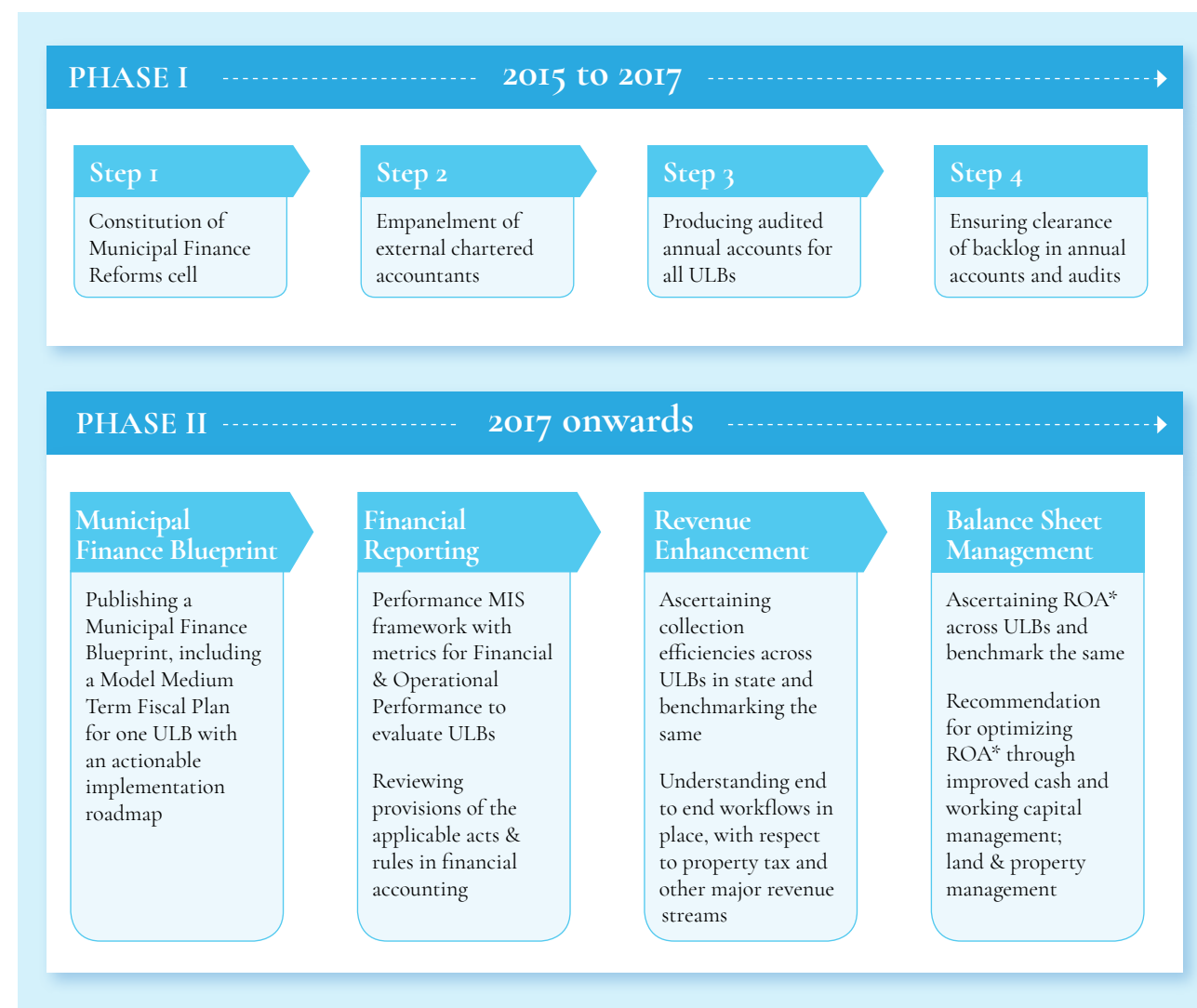
An initiative  
supported by



**SHAKTI**  
SUSTAINABLE ENERGY  
FOUNDATION

## 1. Introduction

Urban local governments in India are among the weakest in the world both in terms of capacity to raise resources and financial autonomy. The limited revenue base and substantial dependence on central and state governments grants severely constrains the ability of Urban Local Bodies (ULBs) to invest adequately and thereby improve quality of life in the city. Janaagraha Centre for Citizenship & Democracy (Janaagraha) has partnered with Govt of Rajasthan to undertake Accounting and Audit reforms in 188 ULBs. Phase – I of the engagement commenced in May 2015 with the signing of an MOU between DLB, Govt of Rajasthan and Janaagraha for constitution of Municipal Finance Reforms Cell for producing audited annual accounts for all ULBs. Phase – II of the engagement would involve development of a Municipal Finance Blueprint for the state.



\* Return on Assets

## 2. Background

### Why Municipal Finance Reforms?

Financial self-sufficiency of ULBs and accountability for financial and operational performance are two attributes of robust and well governed ULBs. Both these aspects of financial self-sufficiency & performance accountability heavily rely on accurate and credible financial information. For availing 14th FC Performance and AMRUT grants, and to be able to eventually access capital markets, ULBs need to produce audited annual accounts in a standardized and time bound manner. ULBs in India have been laggards on this front and have run up significant backlogs in producing audited annual accounts.

### Fix Municipal Balance Sheets to Fund Urban Infrastructure

India's urban infrastructure is estimated to require Rs.40 trillion of investments in a 20-year period from 2011 to 2031. Today, municipal revenues at less than Rs.1.2 trillion account for approximately 1% of the country's GDP as against 6%+ in Brazil, South Africa, etc. Of this Rs.1.2 trillion, own revenues of ULBs are estimated at less than a third, with a large chunk of municipal revenues coming from central and state government grants.

### Audited Accounts, Performance Metrics and Management Analysis are Tools to Build Trust

Annual and Quarterly reports including audited accounts and management analysis of the same are the principal instruments that build trust and credibility.

### Empanelment of Chartered Accountants

Empaneling external chartered accountants to prepare and audit municipal balance sheets, would jump-start sound financial governance in ULBs by creating a pan-India municipal fiscal landscape. Janaagraha's recent experience of empanelment of chartered accountants in Rajasthan suggests that at a cost of no more than Rs.100 crore a year all 4,000+ ULBs in India can have their balance sheets audited by independent chartered accountants. This is a very high return on investment from public policy and infrastructure financing standpoints.

### 3. Accounting & Audit Reforms in Urban Local Bodies of Rajasthan

On 11th May 2015, the Department of Local Self-Government, Government of Rajasthan and Janaagraha signed a non- financial MOU to collaborate on Accounting and Audit Reforms for all ULBs in Rajasthan.

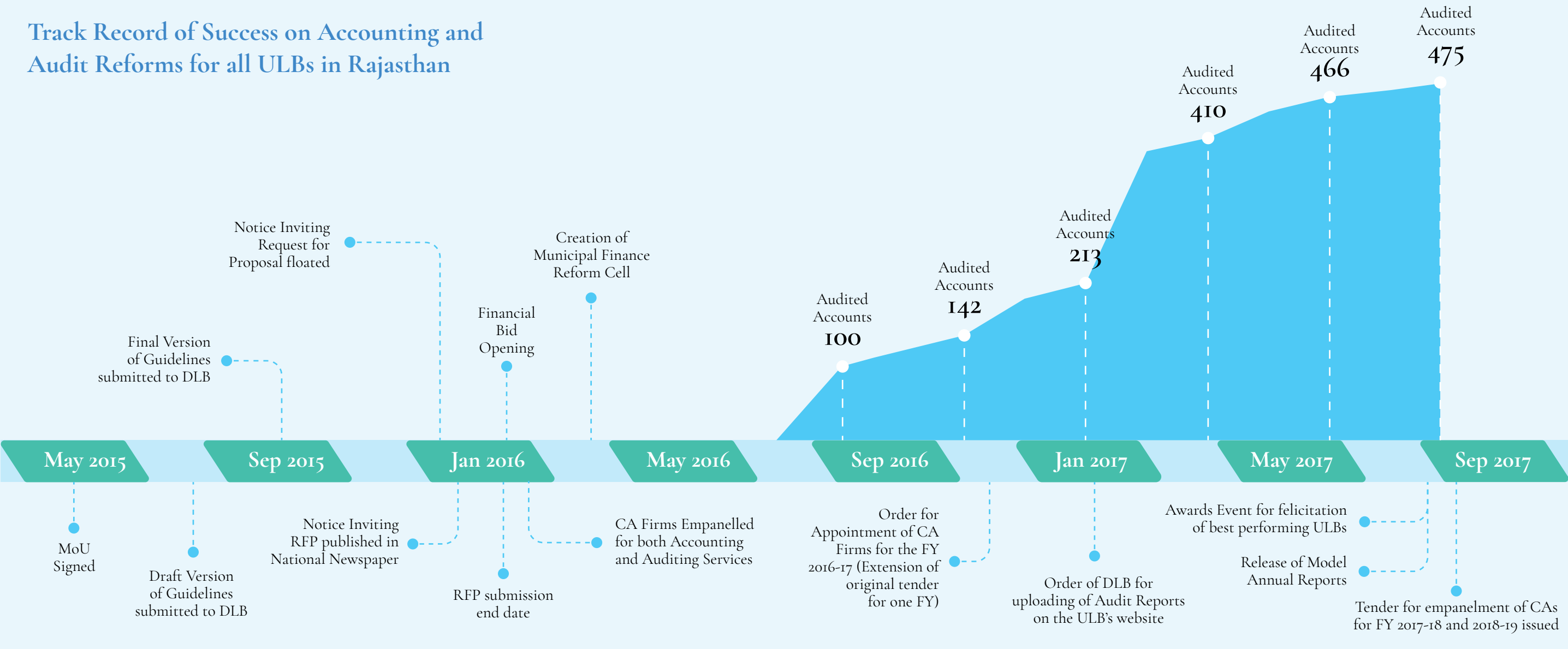
Janaagraha facilitated accounting and audit reforms across all 188 ULBs in Rajasthan through a process of empanelment of external Chartered Accountants (CAs).



The accounting at all ULBs got strengthened after introducing the Double Entry Accounting System. There has been tremendous improvement in all 188 ULBs of Rajasthan in Accounting and Audit reforms in Rajasthan in last 18 months. Strong reporting and accounting is first step to run the operations in any department or organisation”

*Shrichand Kriplani, Urban Development and Housing Minister of Rajasthan*

#### Track Record of Success on Accounting and Audit Reforms for all ULBs in Rajasthan



### 3.1. Awards Event for felicitating best performing ULBs of Rajasthan

A major milestone in the Rajasthan reform roadmap was marked by an Awards event held in Jaipur on August 22, 2017, for felicitation of best performing ULBs in the area of Accounting and Audit reforms. It was a first of its kind event not only for the state but also nationwide where ULBs were ranked and awarded on their financial performance. The winners were felicitated by the Honorable Urban Development and Housing Minister of Rajasthan— Sh. Shrichand Kriplani, who was also the Chief Guest at the event.

Director of local bodies, Additional Director, Chief Accounts officer were among the dignitaries and Mayor/Chairman, Commissioners/ Executive officers and Accounts officers attended the event. Over 500 participants from across 120 ULBs participated at the event.

At the event, Mr Kriplani also unveiled three publications:

**Guidelines on Accounting and Audit Reforms in ULBs:** During the course of our work in collaboration with the Department of Local Self-Government, Government of Rajasthan, we had published Guidelines on Accounting and Audit reforms in ULBs, which provides a step-by-step guide for publishing Audited Account statements in ULBs to fulfil the conditions laid down by the 14th FC to avail performance grants. <http://janaagraha.org/files/Guidelines-on-Accounting-Audit-Reforms.pdf>

**Model Annual Report for Balotra Nagar Parishad 2015-16:** Annual report for Balotra Nagar Parishad 2015-16 was unveiled, <http://janaagraha.org/files/balotra-nagar-parishad-annualreport.pdf>

**Model Annual Report for Udaipur Nagar Nigam 2015-16:** Udaipur was chosen for publication of a Model Annual Report given that it was one of the four Smart Cities in the state. <http://janaagraha.org/files/udaipur-report-v15.pdf>



Balance sheet is the mirror of any organisation and to make any organisation successful we would need to have budgeting also in place.

Timely accounting and strong budgeting controls brings better financial management in the ULBs”

Pawan Arora, IAS, Director cum Joint Secretary Department of Local Self-Government

27 winning ULBs/municipalities were evaluated on the following parameters -



- Category 1 : Early Completion of Audit of Annual Accounts\*
- Category 2 : Growth in Own Revenue
- Category 3 : Own Revenue to Total Revenue
- Category 4 : Current Ratio

\* Category 1: Runner Up I - Bharatpur Nagar Nigam  
Runner Up II - Jodhpur Nagar Nigam



## Glimpses of Awards Event on 22 August 2017, Jaipur



Although Accounting and Audit of accounts doesn't fall under the purview of elected representatives, but I would like to highlight that it has connection with every job in the ULB from cleaning to administration. There should be a proper balance in all schemes from the Govt, so that every level of community will be benefited in one or the other ways"

*Chandra Singh Kothari, Mayor-Udaipur Municipal Corporation*



As per my experience, this is for the first time in whole nation or at least in the state, that ULBs are been awarded and gathered here for workshop for session to strengthen the accounting and audit part. In the past, we have lived in an era when there used to be no balance sheet and income and expenditure drawn in ULBs, But now, it's a good start for all ULBs"

*Ghanshyam Ojha, Mayor- Jodhpur Municipal Corporation*

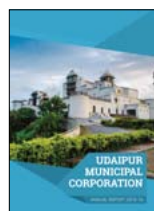




Follow the link to download  
Guidelines for Accounting and Audit Reforms in Urban Local Bodies  
<http://janaagraha.org/files/Guidelines-on-Accounting-Audit-Reforms.pdf>



Follow the link to download  
Balotra Nagar Parishad Annual Report 2015-16  
<http://janaagraha.org/files/balotra-nagar-parishat-annualreport.pdf>



Follow the link to download  
Udaipur Municipal Corporation Annual Report 2015-16  
<http://janaagraha.org/files/udaipur-report-v15.pdf>


### 3.2 Tender for empanelment of CAs for FY 2017-18 and 2018-19 issued

On 12 September 2017, the DLB, Government of Rajasthan with the support of Janaagraha Municipal Finance team floated its tender for second cycle of empanelment of CAs for completion of accounting and audit for FY 2017-18 and 2018-19 for all 191\* ULBs of Rajasthan.



There is underutilisation of assets in all ULBs, especially land and buildings. With effective identification and utilisation of assets, it can have direct impact of own source of revenue.”

Rajendra Vijayvargiya, Senior Town Planner



We have received very positive response from Govt of Rajasthan in implementation of Phase I : Accounting and Audit Reforms for all ULBs in Rajasthan. Through a process of empanelment of Chartered Accountants (CAs), all 188 ULBs in Rajasthan have appointed CAs, and in less than a year, more than 400 audited annual accounts have been produced for the first time in ULBs of Rajasthan. We firmly believe the Phase - II reforms could be potentially transformative for financial self-sufficiency and financial accountability of ULBs”.

**Srikanth Viswanathan**, CEO, Janaagraha Centre for Citizenship and Democracy, Bengaluru



Media coverage:  
Samachar Jagat



Media coverage:  
Rashtradoot



## About Janaagraha

Janaagraha is a Bengaluru based not-for-profit organization working towards the mission of transforming Quality of life in India's cities and towns. We define Quality of life as comprising Quality of citizenship and Quality of infrastructure and services, and therefore work with citizens on catalyzing active citizenship and with governments to institute reforms to "City-Systems" (commonly referred to as urban governance).

\* 3 new ULBs added

---

For any further information, please direct all your queries to – Municipal Finance Team

Anil Nair | +91 98719 16608 | [anil.nair@janaagraha.org](mailto:anil.nair@janaagraha.org)

Vivek Gera | +91 87086 87115 | [vivek.gera@janaagra.org](mailto:vivek.gera@janaagra.org)

Phone: 080-40790400

---



JANAAGRAHA CENTRE FOR CITIZENSHIP & DEMOCRACY

**Janaagraha Centre for Citizenship & Democracy**

4th Floor, UNI Building, Thimmaiah Road, Vasanth Nagar, Bengaluru-560052

Phone: 080-40790400, Fax: 080-41277104

Email: [info@janaagraha.org](mailto:info@janaagraha.org)

[www.janaagraha.org](http://www.janaagraha.org) | [www.balajanaagraha.org](http://www.balajanaagraha.org) | [www.ipaidabribe.com](http://www.ipaidabribe.com) | [www.ichangemycity.com](http://www.ichangemycity.com) | [www.janausp.org](http://www.janausp.org)