



GOVERNMENT OF KERALA

Abstract

Local Self Government Department - Adoption of Double Entry accrual based system of accounting- Implementation of pilot project- Orders issued.

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Local Self Government (B) Department

GO (MS) No.8/07/LSGD.

Dated, Thiruvananthapuram, 06/01/2007

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Read: Letter No.A1-15894/06 dated 24-1-2006 of Director of Urban Affairs.

O R D E R

At present the urban local governments in Kerala are following cash- based accounting system as envisaged in the Kerala Municipalities (Preparation of Annual Financial Statements and Accounts) Rules 1963 and Kerala Municipal Corporations Accounts Rules 1967. Now both at the national and state levels there is a policy priority on improving the accounting system in local governments to make it more transparent and appropriate to the functions discharged by the Local Governments.

The Task Force set up by the Comptroller and Auditor General to suggest reforms in accounting policies and procedures to be adopted in urban local governments has suggested introduction of an appropriate accrual based accounting system. The Ministry of Urban Development, Government of India has endorsed this and included it as a mandatory reform measure under Jawaharlal Nehru National Urban Renewal Mission (JNNURM). In the context, Government of Kerala have decided to launch a pilot project to introduce Double Entry Accrual based system of accounting in all the five Municipal Corporations and the Municipalities of Alappuzha and Thalassery with effect from 1<sup>st</sup> April 2007. This will be implemented by the Kerala Sustainable Urban Development project in partnership with Information Kerala Mission. Based on the experience gained in the implementation new Accounts Rules and Account Manuals would be issued in due course under the Kerala Municipalities Act 1994.

By order of the Governor,

**S.M.VIJAYANAND,**

Principal Secretary to Government.

To

- The Accountant General Kerala, Thiruvananthapuram.
- The Principal Secretary (Finance), Secretariat, Thiruvananthapuram.
- The Director of Urban Affairs, Thiruvananthapuram.
- The Director of Local Fund Audit, Thiruvananthapuram.
- The State Performance Audit Officer, Thiruvananthapuram.
- The Project Director, KSUDP, Thiruvananthapuram.
- The Executive Director, Information Kerala Mission, Thiruvananthapuram.
- The Secretaries of the Corporations and Municipalities concerned.

Approved for issue,

Section Officer