

<b>Award Criteria of Annual Reports for ICAI Awards for Best Promotion of Accounting Reforms in Local Bodies 2024-25</b>
<b>For Category Panchayats</b>
<b>Parameters and Criteria for Evaluation</b>
<b>I. Overview Profile</b>
About Panchayat (including functioning, geographical information, date of formation, regulated by, awards & achievements, etc.)
Statement on Vision, Mission & Core Values/ Ethical Principles
Organisation & Governing Structure and Profile/Details of Panchayat Officer, Sarpanch, and other members etc.
Comprehensiveness and clarity of information about structure and functioning of Panchayat
<b>II. Governing Body's Statement / Report</b>
Content & comprehensiveness of coverage of matters (Including Panchayat's developmental initiatives, community engagement, and resource management over the reporting period)
Information related to non-adjusting post reporting period events
Presentation of any other information relevant and useful from stakeholders' perspective in the specific context of Panchayat's activities like information on grant utilisation, funding for local projects, community welfare schemes, and local governance improvements etc.
Consistency of information included in Governing Body's statement/ Report with underlying financial statements
Information as to compliance and non-compliance with the mandatory requirements of the concerned Statutes and Regulators (like States Panchayati Raj Act, MGNREGA guidelines) and whether there are appropriate explanations for such non-compliances. (pertaining to both financial and non-financial information)
Clarity of description of role and responsibilities of various governance committees of the panchayat like Gram Sabha, etc. including their composition, attendance, meetings, etc.

Adequacy of the governance measures and policies adopted by the Panchayat in the context of the size and nature of the entity as well as diversity in terms of gender, qualifications and professional experience of Panchayat Officer and Elected Members including policies such as Code of Conduct, Complaint redressal policy, etc.

Disclosure of budget allocated to essential community services (health, education, sanitation) versus administrative costs.

### **III. Discussion and analysis**

Comprehensiveness of content, in general (including all critical aspects of Panchayat's operations and performance)

Overview of the state of affairs of the Panchayat, future prospects and plans

General review of the performance of the panchayat as a whole and nature of its activities (including information about innovation & upgraded technology)

Performance of various programs, projects, workshops, activities etc. of the Panchayats during the period under review, future plans and prospects (including sustainability initiatives)

Description of the Panchayat's policy relating to human resource engagement, training and development, including information on measures taken by the panchayat to meet its obligations and responsibilities towards employees in particular, measures relating to participation of disadvantaged members of the community, working environment, career progression, health, hygiene, safety, personal development and so on.

### **IV. Technical Content – Financial Statements**

Basis of Preparation of Financial Statements (including disclosure of basis of accounting followed – cash or accrual; going concern; accounting formats adopted by panchayat Like CAG's prescribed Formats-Model Accounting System)

Preparation of complete set of financial statements like:

(i) Receipts & Payments Account
(ii) Notes to Financial Statements:
(a) Significant Accounting Policies
(b) Disclosure of comparatives in financial statements
(c) Disclosure of comparison of actuals with budgeted figures and clarity of explanations as to variances and reasons of variances from budgeted figures
Registers of Assets
Registers of Grants and Liabilities
Bank Reconciliation Statement
Compliance with:
(i) Applicable framework like Model Accounting System, etc.
(ii) Accounting Standard for Local Bodies, whichever is applicable
Overall Assessment of Financial Statements
Timeliness of information availability to the Governing Board
Whether separate accounts are maintained for each grant (Like Central & State Finance Commission Grants, MNREGA Funds) to track expenditures against approved budgets.
Whether Grants received from Central & State Government(s) have been separately shown in the financial statements of panchayats and disclosure of grant utilisation.
Whether own sources of funds have been separately shown in the financial statements of panchayats.
<b>V. Audit requirements</b>
Whether the accounts are audited/ certified.

Whether the accounts have been audited/ certified within the prescribed timelines.

Description of external oversight of various functions like systems audit, internal audit by an external specialist and other measures taken to enhance credibility of systems for internal controls and financial reporting.

## **VI. General – Overall presentation of the annual report**

Whether hyperlinking of index to the main sections of report is there for easy navigation & dragging.

Readability of the financial report:

(a) Layout of the annual report clearly distinguishing between various segments of the report

(b) Type of font, size, single screen viewing etc.

(c) Disclosure of unit of measurement, rounding off criteria adopted, etc. and whether there is consistency of adoption of the same throughout the annual report.

(d) Color scheme adopted

(e) Presentation and analysis of information about financial performance through graphs, charts, tables, etc. for better clarity and understandability.

(f) Adequacy of cross referencing of schedules and various segments of the annual report.

(g) Overall aesthetics of presentation

## **VII. Additional Disclosures-** Ratio Analysis, key performance indicators, service level benchmarks, etc.