

EXECUTIVE SUMMARY

“Strengthening Institutional capacity to facilitate Decentralization Initiatives” at Jabalpur Municipal Corporation (USAID- FIRE D Project)

Municipal Corporation Jabalpur, one of the 14 Corporations in Madhya Pradesh is governed by the Madhya Pradesh Municipal Corporation Act, 1956 and the amendments thereto. Like most of the Urban Local Bodies (ULBs) in India the MCJ has also been carrying on its activities with a minimal focus on aspects relating to MIS and Accounting. One of the major changes that has been stressed by both Government of India (GOI) and the State Government is the decentralization process triggered by the 74th Constitutional Amendment Act (CAA). While the process of decentralization is taking its own time the lack of focus on the MIS and Accounting have resulted in a deteriorating financial position of MCJ. A major contributing reason for the same is lack of proper systems, controls and computerization with regard to the MIS and Accounting aspects. Further, the lack of required quality and quantity of manpower for carrying out the required activities has also contributed to major gaps in the functioning of the MCJ. This project was executed in total by NCR Consultants Limited with in a period of 12 months through a specific contract with USAID FIRE-D Project.

Primary objectives of this project was to “provide MCJ a well designed and implemented MMIS / HRD initiatives along with a scientific accounting system and appropriate computerization that is sustainable with well trained manpower capable of self managing MCJ”.

Scope of Work

The entire work scope was grouped under the following modules:

- I. Municipal Management Information System;
- II. Computerization of key Municipal Activities;
- III. Strengthening of Resource Base (through accounting and financial management);
- IV. Human Resource Development; and
- V. Training and Capacity Building

I. Municipal Management Information system:

The objective of this module is to establish and implement management information system which helps the management team, comprising of the Mayor, Elected Representatives, Commissioner and Heads of various departments, timely information for better management of the Corporation. However, the MIS would basically revolve around accounting information, revenue collections and expenditures. In this module the following two areas are covered.

- i) Framework of Computerization of Municipal Activities; and
- ii) Guidelines for Municipal Transaction

II. Computerization of Key Municipal Activities;

The objective of this module is to provide various inputs (specification) for software development and to support / complete the software development in the following areas:

- i) Revenue Module
- ii) Expenditure Module
- iii) Budget Module
- iv) Procedure Module

III. Strengthening of Resource Base (through proper Accounting / Financial Management):

The objective of this Module is to provide reliable database that is good in its information and reliability content so that complete tax payers are covered, so that the analysis of such information will provide Management with information in order to improve the “resource base”. The other resource base being various properties or assets of JMC, necessary inputs will given to enable better utilization of such assets.

- i) Reconciliation of Municipal Tax / Charge records:
- ii) Computerization of Municipal assets inventory:

IV. Human Resource Development:

The objective of this module is to bring clarity on the structure, roles and responsibilities of various employees of the organization and provide a draft Human Resource Policy which will provide the base for JMC Management for implementing the same after discussion at employee / council levels.

- a. Preparation of Organization Structure for JMC:
- b. Preparation of HR Policy (draft):
- c. Preparation of Job Descriptions:
- d. Attitudinal Survey.

V. Training and Capacity building

The Overall objective of this Module is to provide the necessary inputs to key employees of JMC by way of training to carry on various activities under the new system.

Outputs

Documents, Manual and Reports:

- a) Inception Report;
- b) Implementation Notes – 8;
- c) Reengineering Reports (ReMuf I&II);
- d) Application System Software Design -6 ;
- e) HR Manual consisting of:
 - a. Procedures;
 - b. Organisation Structure;
 - c. Job Descriptions.
- f) Training Manual (Plan and Notes)

Software:

- a) IDEAS is an integration of:
 - a. Double entry accounting systems;
 - i. Revenue and Expenditure accounting;
 - ii. Asset and Liability accounting; and
 - iii. Budgeting.
 - b. Works management system;
 - c. Fixed assets management system;
 - d. Inventory management system;
 - e. Investment management system; and
 - f. Liability management system.
- b) Accounting Manual (with policy / processes); and
- c) Operating Manuals.

The software features revolved around four elements: revenue, expenditure, assets and liabilities; with input features comprising of database and transaction components; and output features comprising of revenue, accounting, financial, asset, liability and works related MIS reports. Features of Intelligent Double Entry Accounting System are detailed in the chart in pages 4 and 5.

Status

The project has been completed as per plans and as at November 2003, NCRCCL is hand holding for complete internalization of various activities within the Corporation, based on a specific contract with JMC for the purpose. Various reforms introduced are being fully utilized by the employees and management of JMC.

Intelligent Double-Entry Accounting System (IDEAS) for Urban Local Bodies -- Features



