Municipal Corporation Amritsar
Internal Audit Report on Double Entry Accounting System
For the period 01.04.2012-30.06.2012

1. BACKGROUD

- 1.1 Municipal Corporation prepared its accounts on manual basis which are further based on single entry accounting system. This is an integrated system that comprises General Cash book, Classified, Establishment check register, Demand collection registers, Contractor ledger etc.
- 1.2 Now Municipal Corporation has started to convert its single-entry system to double entry system using computerised environment and TALLY 9 ERP Software.

2. SCOPE AND OBJECTIVES

2.1 Scope of our Audit assignment is to evaluate the double entry accounting system with a view to delivering reasonable assurances to the Authority over the adequacy of this system. Further to review the nature of income and expenses that they are properly accounted for. To find out discrepancies so that Double entry accounting system can be properly implemented.

AUDIT OBSERVATIONS

AUDI	LOBSEKVATION	
SR.	PARTICULARS	AUDIT OBSERVATIONS
NO.	ē.	1.40
1.	Corpus Fund	Reflects the balance of capital of corporation as on date
		30.06.2012.
		Opening balance includes the opening balance of bank as
		per the statement provided by the management. No
		opening corpus provided by the municipal corporation
2.	Fixed Assets	No details of fixed assets as on 31.03.2012 have been
		provided to us by the Municipal Corporation.
3.	Bank Balance	Bank balances are not reconciled with cash books provided
		by municipal corporation.
4.	Cash Book	Has been provided to us to convert single entry system to
	,	Double entry system.
5	Secured	It is clear from the records presented before us that the
	Loans	corporation has not taken any type of loan from
		government or from any other financial institution.
6.	Debtors &	As cash system of accounting is being followed there are no
	Creditors	debtors and creditors balances in books.
7.	Cash Balance	There is no balance of cash in hand as the amount collected
		is deposited into the bank account on day to day basis, for
		bank holidays it is deposited on following working day and
		all the payments are routed through banking channels.
8.	Incomes	Income is recorded in cash book.
		1. Tax revenue: Amounts received for the taxes levied
i A		by the Municipal Corporation as per the Municipal
		Act.
		2. Rental income: Amounts that are received from the

		let-out properly of the civic body. 3. Fees and User Charges: Amounts that are received
		from the public for providing any kind of service.
9.	Expenditure	Expenditures are categorized differently as per the nature of
		expenditure. Most of the expenses are covered under these
		4 heads:
		1. Establishment Expenses
		2. Contingencies
		3. Committed Expenditure
		4. Non- Committed Expenditure

CONCLUSION:

- Pre-audit system is being followed by Municipal Corporation. Data in cash book are recorded after being duly audited and examined by the person(s) appointed by the state government.
- Cash system of accounting is being followed
- Comments by management would be noted and the steps taken to rectify deficiencies will be evaluated during the next audit or a follow up audit
- Our internal audit is entirely based on the records provided by Municipal Corporation.
- The scope of internal audit was restricted to the records produced before us.

Municipal Corporation Town Hall Amritsar

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(2005) OF KIT Act (2005)

												Add: Sales of land	Add: Excess Of Income Over Expenditure	Opening balance	Corpus Fund		Liabilities	
												1,61,74,588.00	8,80,08,647.93	13,16,34,948.69		(Rs.)	Amount	Balan
												2,358.18		39		(Rs.in lakhs)	Amount	ce Sheet for the period
Land Scaping & Park	New Street Conncetions	New Streets	New Drains	Old Roads	New Roads	Contruction of Mpl. Building	Computer	File bilgade	Circ Dring	Garden & land Scaping	Street Lighting	Library	Street Watering	Building Application	Fixed Assets		Assets	Balance Sheet for the period 01.04.2012 to 30.06.2012
															2	î P		
5,89,942.00	34,57,197.00	62,50,994.00	29,03,764.00	27,47,291.00	14,51,546.00	7,18,773.00	1,07,645.00	74,26,904.00	1,31,06,461.00	00.877,78,22	00.57 770 00	7 91 260 00	5 15 497 00	E9 74 720 00	(RS.in lakhs)	Int		
5.90	34.57	62.51	29.04	27.47	14.52	7.19	1.08	74.27	131.06	22.58	7.91	5.15	58.72		lakhs)	#		

SBI OBC BOI (1) ICICI IDBI BOI (2) BOI (3) Contribution To WASS

5,94,435.00 9,69,468.18 2,73,83,266.44 1,95,85,574.00 81,36,809.00 1,93,36,965.00 3,87,37,119.00

7,28,77,766.00

1,147.44 728.78

2,358.18

CURRENT ASSETS & LOANS & ADVANCES
CASH & BANK BALANCES

2,358.18

Prepared & Complied by For Rajesh Chadda & Associates

CHARTERED SALVER Rajesh Chadda

WRITSAR.

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١	Income & Expenditure for the period 01.04.2012 to 30.06.2012
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37,54,74,102.93	37,54,74,102.93	1 1	
	8,80,08,647.93		To Excess Of Income Over Expenditure
	38,44,601.00	3,95,111.00 19,80,283.00 14,69,207.00	To Old Drains Repair To Old Street repair To Slump Improvement
			Non-Committed Expenditure
	4,05,33,770.00	75,11,020.00 55,34,800.00 43,11,594.00	To Mohalla Sudhar Committees To land Scaping/ parks/ watre bils of stand posts To Others
		1,06,12,774.00 98,97,315.00 26,66,267.00	To Electricity Bills of Street Lights To Electricity Bills of Mpl. Building / others To Maintance of Street lights
50,170.00 19,99,408.00	By Swimming Pool & sports		Committed Expenditure
485.00 13,510.00	2,00,40,825.00 By Cattle Pound	30,25,620.00	To Other (Misc. / Legal Fees/ Adv. Bills, Insurance)
88,803.00	By Library By Road Cutting	11,52,821.00	To Directorate Charges
6,641.00 2 980 00	BY Medical dispensaries fee	4,17,537.00	To Telephone Bills To Mtc of Street, Roads, Drains Etc.
21,220.00	By Composition Of Land By Composition of fee of Health	17,54,342.00	To Vehicle Repair
15,05,215.00 21 574.00	By Scavenging Fee	1,21,48,332.00	To Electricity bills oF Zonal Offices To Petrol Oil & Diesel
2,88,810.00	OTHERS By Slaughter House Fee	1,88,805.00	To Stationery
11 04 085 00			Contingency
41,04,774.00	22,30,46,259.00 By Service Lax BY Tehbazari	26,65,589.00	To Police
27,24,665.00 35,982.00		-	To Service Txa
1,85,38,637.00	By Composition fees	3,02,00,108.00	To Municipal including prevention of malaria and other To Municipal Engineer & Supporting Satff
5,18,580.00 5,18,580.00	By Licence Fees u/s 343	18,24,830.00	To Health Centre Vaccination
47,59,715.00	By Building Application	11,27,43,230.00	To Health including removal disposal & drainage
19,77,756.00	By Advertisement	30,41,369.00	To Tehbazari
6,08,80,000.00	By excise Duty	1,22,52,361.00	To Octroi
22,90,58,016.00	By Octroi From DLG	16.50.270.00	To Tax On Vehicle Animals & Dogs
2.98.83.832.93	By Octroi	53.14.433.00	To House Tax
19.37.284.00	By Fire Cess	4.60.38.853.00	To General Administration
1,42,11,673.00	By House Tax		Establishment
Amount Amount	Amount income (Rs)	Amount Amo (Rs) (Rs)	Expenditure
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4,74,102.93

pared & Complied by thatda & Associates parents Accountants

Rajesh Chadda Prop.