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**Municipal Corporation Patiala**

**Internal Audit report on Double Entry Accounting System**

**For the year ending on 31<sup>st</sup> march 2017**

**1. BACKGROUND**

1.1 Municipal Corporation Prepares 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 register, Demand collection registers, contractors' ledgers etc.

1.2 Now Municipal Corporation has started to convert its single-entry system to double entry system using computerized environment and TALLY. 9 ERP Software. Income & Expenditure figures represent actual figures as per available records, whereas no proper records have been maintained for accounting of Assets & Liabilities.

**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 assurance to the authority over the adequacy of this system, to review the nature of income and expenses whether they are properly accounted for, to find out the discrepancies so that Double entry accounting system can be properly implemented.



