

**Accountant's report on Internal Audit of Financial Statements**

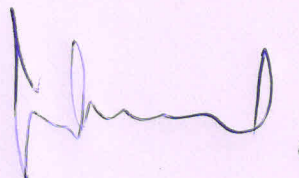
To  
The Commissioner  
Municipal Corporation  
Moga

On the basis of the accounting records and other information and explanation provided to us by the Management of Municipal Corporation, Moga, we have conducted the Internal Audit of the Balance Sheet as at March 31, 2013 and the related Income & Expenditure Account of the Municipal Corporation for the year then ended.

**Management's Responsibility**

The Management is responsible for:

1. Completeness and accuracy of the underlying data and complete disclosure of all the material and relevant information to the accountant.
2. Maintaining adequate accounting, & other records, internal controls, selecting and applying appropriate accounting policies.
3. Preparation and presentation of the financial statements in accordance with the applicable laws and regulations.
4. Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities.
5. Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws & regulations, preventing and detecting any non-compliance.

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## Internal Audit

Audit procedures performed are designed to evaluate the adequacy, efficiency and effectiveness of the Department's governing principles, risk management and control processes. Discussions were held with the management and staff members. Audit work was conducted on the basis of enquiry, observation and verification of supporting documentation and identified processes. It is an inherent limitation that accounting and internal control system cannot provide management with conclusive evidence that objectives are reached due to the following reasons:

1. There is a potential human error due to carelessness distraction, mistakes of judgement and misunderstanding of the instructions.
2. The possibility that a person responsible for exercising an internal control could abuse that responsibility.
3. The possibility of circumvention of internal controls through the collusion of a member of management or an employee inside or an outside entity.
4. The possibility that the procedures may become inadequate due to change in conditions and compliance with the procedures may deteriorate.

The Balance Sheet & Profit & Loss Account are in agreement with the books of accounts.

For Inder Agarwal Associates  
Chartered Accountants

   
(Inder Mohan Aggarwal)  
M.No. 081068

Place: Moga  
Date: 25/04/2017