

## **Audit of the banks authorized to collect Direct Taxes**

Audit of the banks authorized to collect direct taxes is regularly carried out by the Internal Audit Wing of the Office of the Principal Chief Controller of Accounts, CBDT, based on data collected from the authorized banks. The centralized data processing in the banks facilitates availability of tax collection and challan data from banks for their all-India operations at a single nodal point. This audit is conducted with respect to the Standard Operating Procedure (SOP) issued by the Office of the Controller General of Accounts and the regulatory guideline issued by the RBI from time to time for agency banks for conducting Government business.

The internal audit verifies whether the authorized banks are observing proper compliance of rules and regulations issued by regulating authorities to avoid procedural/financial irregularities or loss of Govt. revenue while collecting direct taxes. Through this audit the entire continuum of tax collection (online or at branches) till its remittance to the government account is analysed with respect to adherence to prescribed procedures and the timelines for remittance.