



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Accounting, Reporting, Pre-
Audit and Internal Audit
System of Local
Governments (Updated)
(Application)**

LFA

Summer Exam-2024

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Q.1.

S.NO	DESCRIPTION	On 1.7.2023	Expenditure Up to 31.12.2023	Budget for 2023-24
1	Pay	345,000,000	280,000,000	448,500,000
2	HRA	250,000,000	105,000,000	312,500,000
3	Purchase of Machinery	40,000,000	11,000,000	44,000,000
4	POL Charges	35,000,000	60,000,000	38,500,000
5	Purchase of Furniture	9,000,000	3,000,000	9,900,000
6	Levies and Taxes	1,000,000	13,000,000	1,100,000
TOTAL		680,000,000	459,000,000	854,500,00
3% Unforeseen Expenditure				25,635,000
Total		680,000,000	459,000,000	880,135,000

Q.2.

1. Availability of adequate Budget under the head Purchase of Machinery & Equipment
2. Approval for Purchase
3. Calling of open tender as per PPRA Rules
4. Publication of tender in three leading newspapers
5. Upload of tender on PPRA website
6. Opening of tender
7. Formation of Tender processing committee, comprising of at least three officers
8. Formation of comparative statement of bids
9. Recommendation of lowest rate, if machine is of appropriate specification
10. Issue of supply order with the approval of competent authority
11. Formation of Inspection committee comprising of three officers
12. If recommendations of Inspection committee are in favour of machine, it should be accepted and entered into stock register.
13. Release of payment on invoice of supplier.

Q.3. Audit Para - Departmental Reply

In this connection, it is stated that, the work orders to contractors were issued on 1.10.2022. They had to supply furniture by 31.5.2023. All of them supplied the furniture in time. But furniture worth Rs. 760,000/- was defective, and returned to the contractor for removal of defects and supply as agreed specification. Various notices were given to him to supply before 30.6.2023 to avoid the lapse of budget. He had promised to meet the target date. But he failed to supply up to 30.6.2023. Now he has been black-listed, his security deposit has been forfeited.

The administration had taken all the required actions to get the furniture as per specification, the acceptance of defective furniture just to consume the available funds was also an irregularity. In the light of above it is requested to settle the para.

Q.4.

	Shops	Flats
No.	1,000	1,000
Monthly Rent	20,000	25,000
Annual Rent	240,000,000	300,000,000
S. Deposit	240,000,000	300,000,000
Grand Total	1,080,000,000	



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Q.5.	Pay in BS-18	Rs. 112,260/-
a	Stage in BS-19	Rs. 115,020/-
	Premature Increment	Rs. 4,530/-
	Total Pay	Rs. 119,550

Q.5.	Pay on 02.12.23 in BS-19	Rs. 119,550/-
b	Premature Increment	Rs. 4,530/-

Q.6. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations.

a

Q.6. The role of internal audit is to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively.

b

By providing unbiased, objective assessments of how public resources are being managed, auditing helps public sector organizations to achieve accountability, integrity, improve operations and instil confidence among citizens and stakeholders
