



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

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

LFA

Winter Exam-2024

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

Q.1.

	Requirement for Mar to Jun-25	Revised Budget 2024-25	Amount to be Surrendered
	149,000,000	447,000,000	203,807,000
	47,500,000	142,500,000	242,565,000
	500,000	1,500,000	93,506,000
	2,950,000	8,850,000	6,700,000
	150,000	450,000	3,050,000
Total	200,100,000	600,300,000	549,628,000

Q.2.

	Loan Amount	Interest	Year end		No. Shops	Adv. Amount	Annual Rent + Adv. Received
1.7.2023	250,000,000	45,000,000	295,000,000	01.07.2024	500	60000	90,000,000
Paid 1.7.24	-	-	90,000,000	01.07.2025	500	0	60,000,000
Remaining	205,000,000	36,900,000	241,900,000	01.07.2026	500	0	60,000,000
paid 1.7.25	-	-	60,00,000	01.07. 2027	500	0	60,000,000
Remaining	181,900,000	32,742,000	214,642,000	01.07. 2028	500	0	60,000,000
paid 1.7.26	-	-	60,00,000	01.07. 2029	500	0	60,000,000
Remaining	154,642,000	27,835,560	182,477,560	01.07. 2030	500	0	60,000,000
paid 1.7.27	-	-	60,00,000	-	-	-	-
Remaining	122,477,560	22,045,961	144,523,521	-	-	-	-
paid 1.7.28	-	-	60,00,000	-	-	-	-
Remaining	88,523,521	15,934,234	104,457,755	-	-	-	-
paid 1.7.29	-	-	60,00,000	-	-	-	-
Remaining	44,457,755	8,002,396	52,460,151	-	-	-	-
paid on 1.7.29			52,460,151		-	-	-

Q.3. Office of The Chairman, Chichawatni, Union Council.

To
The District Council,
Sahiwal.

SUBJECT: ALLOCATION OF SUPPLEMENTARY BUDGET OF RS. 950,000/-.

It is to inform that, the Government of Punjab has confirmed the visit of a delegation of Asian Development Bank for visit of Chichawatani Union Council on 15.12.2024 to consider the development of plan of the area.

In order to arrange the gathering of notables of area and entertain the guests, the estimated expenditure will be Rs. 1,000,000 against which, budget allocation under the entertainment Head of A/c for the year 2024-25 is Rs. 50,000/- as detailed under;

Allocation for the year 2024-25			
Head of A/c	Allocation	Supplementary Demand	Total
Others/ Entertainment	50,000	950,000	1,000,000

It will be appreciated, if the additional requirement is allocated at earliest in order to enable us to make proper arrangements in time.

With best regards,
(XYZ)
Chairman

Q.4. Management Reply

On observation of Audit, in house inquiry was carried out, which revealed that dealing Accounts Clerk was found guilty of the misappropriation. He has been put under suspension and disciplinary action has been initiated against the culprit. Efforts are in full swing to make recovery of whole embezzled amount.

However, the final outcome of the proceedings will be shared with audit.

Sd
(DMB)
Accounts Officer

Q.5. Following documents are required to see by the Auditor for passing the salary bill of Daily Wage employees.

1. Approval of competent authority for hiring employees on daily wages.
2. Justification for hiring either against work, project or vacant posts.
3. Budget availability
4. Appointment orders
5. NICs of daily wages employees.
6. Pay Bill
7. Approval of competent authority for release of salary to Daily wagers.

Q.6. Internal Auditor provides transparency to corporate stakeholders by conducting audits, creating reports and recommending for tightening internal controls. He should act as independent employee to find issues before external auditors and government regulators.

Their task is to watch cash flow from beginning to end and verify that organization's funds are properly accounted for, and financial statements of the organization are absolutely correct.

Q.6. The control structure includes organization' plan and all the procedures and actionist takes to protect its assets against theft and waste. Ensures compliance with organization's policies, procedures, rules and regulations.

Its importance is to set the tone of an organization;

- a. Control environment
- b. Influencing the control consciousness of its people
- c. Risk assessment
- d. Control Activities
- e. Information and communication
- f. Monitoring
