



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Expenditure and Receipts/Income of all the
Local Governments including District
Education/Health Authorities and Union
Councils (Updated) (Application)**

LFA

Winter Exam-2024



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Winter Exam-2024

Solutions – Expenditure and Receipts/Income of all the Local Governments including District Education/Health Authorities and Union Councils (Updated) (Application)

Q.1. Ref; Rule 20, 21, 22, 23, 30 and 38 of PPRA Rules

METHODS OF PROCUREMENT

20. Principal method of procurement.-

Save as otherwise provided hereinafter, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

21. Open competitive bidding.-

*Subject to the provisions of rules 22 to 37 the procuring agencies shall engage in open competitive bidding if the cost of the object to be procured is more than the prescribed financial limit which is applicable under sub-clause (i) of clause (b) of rule 42

22. Submission of bids.-

(1) The bids shall be submitted in a sealed package or packages in such manner that the contents are fully enclosed and cannot be known until duly opened.

(2) A procuring agency shall specify the manner and method of submission and receipt of bids in an unambiguous and clear manner in the bidding documents.

23. Bidding documents.-

(1) Procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

(2) For competitive bidding, whether open or limited, the bidding documents shall include the following, namely:-

- (a) invitation to bid
- (b) instructions to bidders;
- (c) form of bid;
- (d) form of contract;
- (e) general or special conditions of contract;
- (f) specifications and drawings or performance criteria (where applicable);
- (g) list of goods or bill of quantities (where applicable);
- (h) delivery time or completion schedule;
- (i) qualification criteria (where applicable);
- (j) bid evaluation criteria;
- (k) format of all securities required (where applicable);
- (l) details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and
- (m) any other detail not inconsistent with these rules that the procuring agency may deem necessary.

(3) Any information, that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided in a timely manner and on equal opportunity basis. Where notification of such change, addition, modification or deletion becomes essential, such notification shall be made in a manner similar to the original advertisement.

(4) Procuring agencies shall use standard bidding documents as and when notified by regulation by the Authority:

- (a) Provided that bidding documents already in use of procuring agencies
- (b) may be retained in their respective usage to the extent they are not inconsistent
- (c) with these rules, and till such time that the standard bidding documents are
- (d) specified by regulations.
- (e) (5) The procuring agency shall provide a set of bidding documents to any
- (f) supplier or contractor, on request and subject to payment of price, if any.
- (g) Explanation.- For the purpose of this sub-rule price means the cost of
- (h) printing and providing the documents only.

30. Evaluation of bids.-



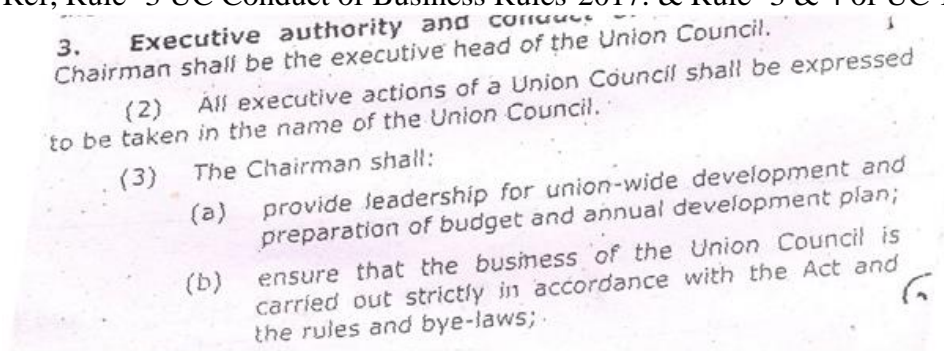
- (a) (1) All bids shall be evaluated in accordance with the evaluation criteria and
- (b) other terms and conditions set forth in the prescribed bidding documents. Save
- (c) as provided for in sub-clause (iv) of clause (c) of rule 36 no evaluation criteria
- (d) shall be used for evaluation of bids that had not been specified in the bidding
- (e) documents.
- (f) (2) For the purposes of comparison of bids quoted in different currencies, the
- (g) price shall be converted into a single currency specified in the bidding
- (h) documents. The rate of exchange shall be the selling rate, prevailing on the date
- (i) of opening of bids specified in the bidding documents, as notified by the State
- (j) Bank of Pakistan on that day.
- (k) (3) A bid once opened in accordance with the prescribed procedure shall be
- (l) subject to only those rules, regulations and policies that are in force at the time of
- (m) issue of notice for invitation of bids.

ACCEPTANCE OF BIDS AND AWARD OF PROCUREMENT CONTRACTS

38. Acceptance of bids.-

The bidder with the lowest evaluated bid, if not in conflict with any other law, rules, regulations or policy of the Federal Government, shall be awarded the procurement contract, within the original or extended period of bid validity.

Q.2. Ref; Rule -3 UC Conduct of Business Rules-2017. & Rule- 3 & 4 of UC-Budget.





- (ii) "supplementary budget statement" means the statement to be laid before the House for approval, showing the amount required for expenditure, during a financial year, over and above the expenditure already authorized for that year;
- (jj) "supplementary grant" means an amount provided in addition to the original grant or appropriation approved by the House;
- (kk) "Union Secretary" means the Union Secretary (Community Development) of the Union Council; and
- (ll) "voted expenditure" means the expenditure which is subject to vote of the House.

(2) An expression used but not defined in the rules shall have same meaning as is assigned to it under the Act.

3. Responsibilities of the Chairman.- The Chairman shall:

- (a) provide vision for union-wise development, identify needs of the local area and evaluate and set development priorities of the Union Council;
- (b) ensure that the needs of disadvantaged groups reflected in the budget priorities and gender issues are adequately addressed in the budget for ensuring gender mainstreaming;
- (c) interact with stakeholders to assess their input and needs on overall development outlay and revenue potential of the local area;
Explanation.- The expression "stakeholders" includes the elected representatives, general public, women organizations, private sector or non-governmental organizations, community based organizations and minority organizations.
- (d) ensure timely completion of the development projects; and
- (e) ensure that the budget estimates and revised budget estimates are laid before the House well before the commencement of the next financial year.

4. Responsibilities of the principal accounting officer.- The principal accounting officer shall:

- (a) incur expenditure as per budget allocations;
- (b) ensure that each development project is feasible, sustainable and in line with the priorities set by the Union Council;
- (c) review progress of execution of the projects for their timely completion;

ensure that budget estimates are submitted before the House well before the commencement of the next financial year;

prepare a report on the planning and implementation of the development plans for presentation before the House in the budget session;

ensure that a new tax proposal or proposal for increase, reduction, suspension, abolition or exemption of any tax is reasonable and in accordance with law; and

monitor and ensure the utilization of the budget of the Union Council on specific object or in accordance with the approved budget and the rules.

) maintain administrative and financial discipline of the Union Council; and

1) sign the notifications on behalf of Union Council for publication in the official Gazette.

subject to the provisions of the Act and the rules, every agreement or contract of the Union Council shall be in the name of the Union Council and shall be executed by the

In case the Chairman is unable to perform his functions for the time being, the Vice Chairman shall perform the functions of the

Q.3. Technical skill always facilitates the worker to earn his livelihood in a respectable manner. In Japan, Korea people prefer to learn technical education. That is why these countries are called Tech-Giants,



They have brought wonders in making their countries the prosperous and economic powers.

1. In each town, the technical training centers must be established.
2. Scholarships may be provided to the poor students to help them financially
3. All the technologies particularly Auto and Information Technology must be taught in colleges.
4. Philanthropists must be encouraged to donate Lap Tops among the poor students
5. The buildings of schools and colleges must be renovated and pleasant atmosphere be created.
6. Delegations of Officers of District Authorities must be sent to visit Japan and USA to study their Technical Education Systems, their best practices must be adopted/ introduced in our Education systems
7. Service structure of Education system must be upgraded just like civil Service structure, in order to attract best brains or highly qualified people to join Education service.
8. Budget of Education must be raised at least 5% of the GDP
9. The budget allocation of scholarships must be raised, so that maximum number of students must be enrolled for PHD programmes/ higher studies etc.
10. Laboratories/ Workshops of technical education must be established in each High school and colleges, so that the students can learn applications during studies.

Q.4. Ref: 15 & 16 PPRA Rules

15. Pre-qualification of suppliers and contractors.-

(1) A procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in case of services, civil works, turnkey projects and in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms having adequate managerial capability are invited to submit bids. Such pre-qualification shall solely be based upon the ability of the interested parties to perform that particular work

satisfactorily.

(2) A procuring agency while engaging in pre-qualification may take into consideration the following factors, namely:-

- (a) relevant experience and past performance;
- (b) capabilities with respect to personnel, equipment, and plant;
- (c) financial position;
- (d) appropriate managerial capability; and
- (e) any other factor that a procuring agency may deem relevant, not inconsistent with these rules.

16. Pre-qualification process.-

(1) The procuring agency engaging in pre-qualification shall announce, in the pre-qualification documents, all information required for pre-qualification including instructions for preparation and submission of the pre-qualification documents, evaluation criteria, list of documentary evidence required by suppliers or contractors to demonstrate their respective qualifications and any other information that the procuring agency deems necessary for prequalification.

(2) The procuring agency shall provide a set of pre-qualification documents to any supplier or contractor, on request and subject to payment of price, if any.

Explanation.- For the purposes of this sub-rule price means the cost of printing and providing the documents only.

(3) The procuring agency shall promptly notify each supplier or contractor submitting an application to pre-qualify whether or not it has been pre-qualified and shall make available to any person directly involved in the pre-qualification process, upon request, the names of all suppliers or contractors who have been pre-qualified. Only suppliers or contractors who have been pre-qualified shall be entitled to



participate further in the procurement proceedings.

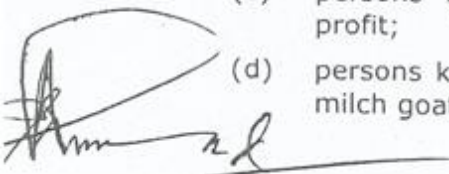
(4) The procuring agency shall communicate to those suppliers or contractors who have not been pre-qualified the reasons for not pre-qualifying them.

Q.5.

a

3. Power to issue licenses or permits.- (1) Subject to sub-rule (2), a local government shall, through a licensing system, regulate the following professions and vocations:

- (a) butchers of mutton and beef;
- (b) vendors of poultry, game or fish;
- (c) persons keeping milch cattle or milch goats for profit;
- (d) persons keeping animals, other than milch cattle or milch goats, for profit;



Q.5.


b

THE PUNJAB GAZETTE (EXTRA ORDINARY) JULY 05, 2017 41

- (e) dairymen, buttermen and makers and vendors of ghee;
- (f) vendors of fruits or vegetable;
- (g) washermen and drycleaners;
- (h) makers and vendors of sweetmeats;
- (i) vendors of wheat, rice and other grains or flour; and
- (j) barbers and keepers of shaving saloons.

(2) The Metropolitan Corporation, a Municipal Corporation, a Municipal Committee and a District Council shall, through a licensing system, also regulate the following professions and vocations:

- (a) manufacturers and vendors of ice or ice-cream;
- (b) vendors of articles of food or drink, for human consumption, which are of perishable nature, except milk, butter, bread, biscuits, cake, fruit, vegetables, aerated or other potable water;
- (c) vendors of water to be used for drinking purposes;
- (d) persons carrying on any trade or occupation which emits offensive or unwholesome smell;
- (e) the business of storing or selling timber, firewood, coal, charcoal and coke, hay straw grass and bamboo, jute, shrub, hemp munj and their products, matches, explosives, petrol, oil and lubricants, paper, ghee and other dangerously inflammable materials;
- (f) sugar refining and sugar refineries;
- (g) preparation of aerated water;
- (h) operating or running bake houses;
- (i) electroplating;
- (j) welding;
- (k) storing, packing, pressing, cleaning, preparing or manufacturing, by any process whatever, blasting powder, ammunition, fireworks, gun powder, sulphur, mercury, gases, gun cotton, saltpeter, nitro-compounds, nitro-mixtures, phosphorus or dynamite;
- (l) cleaning, dying, preparing or manufacturing, by any process whatever, clothes or yarn in indigo and other colours;
- (m) storing, processing, cleaning, crushing, melting, preparing or manufacturing, by any process whatever, or dealing in bones, tallow, offal, fat





blood, soap, raw hides and skins candles, manure, catgut and oil cloth;

- (n) manufacturers of oil;
- (o) washing or drying wool or hair;
- (p) making or manufacturing bricks, 'surkhi', tiles, or earthenware pots clay pipes or other earthenware by any process of baking or burning;
- (q) burning or grinding of limestone or metal stone or storing of lime for sale;
- (r) cleaning or grinding of grain or chilies by any kind or class or machinery;
- (s) keeping animals likely to create nuisance;
- (t) fell mongering;
- (u) casting of heavy metals such as iron, lead copper and brass;
- (v) dealing in poison, acid, chemicals, liquid or otherwise;
- (w) whole-sale storing, cleaning, pounding and selling of tobacco except the storing of tobacco required for the preparation of *biddis*, cigars or cigarettes;
- (x) operating or running tin factories;
- (y)
- (z) manufacturing of safes, trunks and boxes;
- (aa) marble cutting and polishing;
- (bb) glass leveling and polishing;
- (cc) manufacture of cement and hume pipes;
- (dd) storing, packing, pressing, cleaning, preparing or manufacturing, by any process whatever, rags, pitch, tar, turpentine, demmar, coconut, fibre, flax, hemp, rosin or spirit;
- (ee) tanning, pressing or packing hides or skins whether raw or dry;
- (ff) trade or operation of ferries;
- (gg) working-on power-looms, rice husking plants, steam whistle, steam trumpet or electric or hand operated sirens beyond hours fixed for their operation by a local government;
- (hh) discharging fire-arms and letting off fire-works, fire-balloons or detonators, or any game dangerous to life or property;

- (ii) trading, storing and selling used or new tyres likely to cause dengue epidemic; and
- (jj) any other article or trade declared by the Government, by notification, to be dangerous for life, health or property or likely to cause nuisance.



Tender Notice

Sealed bids are invited from the contractors for installation of 100 Solar Tube wells in various villages of Sadiqabad District.

Estimated Cost of Project: Rs. 60,000,000

Earnest Money @ 2% of Project amount

Tender Fee Rs.2,000

Tender documents will be available on sale w.e.f 15.10.2024.

All the bidders are required to submit two envelopes one for Technical bidding and another for financial bidding.

The tenders will be received up to 31.10.2024 at 11.30.

Sd

Executive Engineer

Q.7. The term accountability refers to the acceptance of responsibility for honest and ethical conduct.

a Accountability is an assurance that an individual or organization is evaluated on its performance or behavior related to something for which it is responsible.

Q.7. Manual of Accounting Principles

b Rules: 5.2 to 5.2 (1,2,3,4)

5.1 Financial and accounting responsibilities of financial officers

5.1.1.1 The term financial officer has been used in generic sense to describe all officers having accounting or financial responsibility.

5.2.4 Accountability

5.2.4.1 The Principal Accounting Officer is responsible to the Minister concerned and to the Public Accounts Committee in relation to under and over expenditure on Budget. The head of Organisation in Schedule Accounting entities is responsible to the Minister concerned through the Secretary of the Ministry/Division concerned

5.2 Financial and accounting responsibilities of Principal Accounting Officers

5.2.1 Position

5.2.1.1 There will be a Principal Accounting Officer for each Ministry/Division/Department other than entities in Schedule 1 and 2 of this Manual. In the case of Schedule I entities the Head of Organisation will assume the responsibilities of the Principal Accounting Officer.

5.2.2 Definition

5.2.2.1 The Principal Accounting Officer is the senior accounting officer within the entity other than for entities in Schedule 1 and 2 of this Manual. In the case of Schedule 1 entities the Head of Organisation will assume the responsibilities of the Principal Accounting Officer.

5.2.3 Responsibilities

5.2.3.1 Responsibilities of the Principal Accounting Officer includes:

☐ ensuring compliance with the Manual of Accounting Principles and Accounting Policies and Procedures Manual and any other financial and accounting directives issued by the Government

☐ application of appropriate accounting policies

☐ preparation and monitoring of the entity's appropriation

☐ exercising delegation of financial responsibility

☐ authorisation and reconciliation of expenditure

☐ due diligence in provision of accounting information

☐ application of internal control within the entity

☐ safe custody of assets

☐ proper use of resources



5.2.4 Accountability

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The head of Organisation in Schedule Accounting entities is responsible to the Minister concerned through the Secretary of the Ministry/Division concerned.
