



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Postal and Telecommunication
Works Rules (Application)**

Summer Exam-2023

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Solutions – Postal & Telecommunication Works, Rules
and Procedures (Application)

Q.1. (Rule 6.2 and 152 Page-98 T&T Manual Vol-V)

FINAL CAPITAL COST BILL

1.	Cash	Rs 500,000
2.	Stores	Rs 200,000
3.	Freight Charges @1.5% on L&W (200,000 x 1.5 %)	Rs 3,000
4.	Sub-Total	Rs 703,000
5.	a) Establishment Charges @ 14% (703,000 x 14%)	Rs 98,420
	b) Estimation Fees @ 2% (1,525,525 x 2%)	Rs 14,060
6.	Sub-Total Departmental Charges (5a & 5b)	Rs 112,480
7.	Store Keeping Charges @ 5% (200,000 x 5%)	Rs 10,000
8.	Sub-Total	Rs 10,000
	Grand Total (4+6+8)	Rs 825,480
	Less Advance Payment Received	Rs 175,000
	Amount Receivable	Rs 650,480

Total Marks 20

Q.2. The Muster Rolls

The muster rolls is the initial record of the labour employed each day on a work and must be written up daily. For work done by daily labour, the subordinate in-charge of the work will prepare a muster roll which will show the work done by this means and the amount payable on this account. From the muster rolls the subordinate will prepare the labour reports and from the measurement book the bills and accounts of contractors and suppliers will be prepared and checked by or under the order of the Divisional Officer or the Sub-Divisional Officer in-charge of the work. The reports should show the number of each class of labourers employed on each work or sub-head. Discrepancies between labour reports and muster rolls should be investigated.

The payment of daily labour through a contractor instead of by muster roll is objectionable in principle, but if, in case of emergency, it be found necessary to employ daily labour through a contractor the subordinate in-charge must submit to the Sub-Divisional Officer a daily report in stereo.

Measurement Books:

The measurement book must be looked upon as a most important record since it is the basis of all accounts of quantities, whether of work done by daily labour or by the piece or by contract, or of material received, which have to be counted or measured. Detailed measurements may be dispensed with in the case of periodical repairs when the quantities are recorded in efficiently maintained standard measurement books.

Detailed measurements may also be dispensed within cases in which payments on account of work actually executed are made on the certificate of are responsible officer. However, in no case final payments may be made without detailed measurements.

Each measurement book should be given a serial number by the press which would appear in bold figures on the outer cover as well as on each page of the books. The pages of the book should also be machine numbered and no page should on any account be torn out.

Every measurement must be recorded in the measurement book at the time it is taken and nowhere else. The practice of entering measurements in note books and elsewhere and afterwards copying them into measurement books is strictly prohibited.

Total Marks 20



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Q.3. Reporting Cycle of Compliance with Authority Audit

Following are the reporting cycle for compliance with Authority Audit:

1. Development of Draft Audit Report (DAR)
2. Departmental Accounts Committee (DAC) meeting
3. Quality assurance review at DAGP
4. Audit report issued to President
5. Pre- PAC meeting with the AGP or Additional Auditor-General
6. Public Accounts Committee (PAC) Meeting

The following paragraph explains the various steps of the Reporting Cycle.

Development of Draft Audit Report (DAR)

- i) The reporting cycle begins by issuing Observations Statements (OS) during field work.
- ii) Audit and Inspection Report (AIR) is issued to the PAO based on initial management response on the OS.
- iii) Management response is obtained on the AIR.
- iv) Draft Audit Report (DAR) is prepared by incorporating management response on the AIRs.
- v) Internal Quality Control Checks are performed by supervisors to ensure that the information given in the DAR is complete, relevant and supported with audit evidence.
- vi) The DAR is issued to the PAOs for Departmental Accounts Committee (DAC) meeting.
- vii) The Paras finalized for Audit Report are retained in the AR section, while those which cannot find a place in the Audit Report are sent back to the concerned IR sections. These Paras are compiled and issued as MFDAC by the IR sections for further pursuance. The MFDAC is compiled and issued on a yearly basis to respective PAOs.

Departmental Accounts Committee (DAC) meeting

- i) Paras and their replies are discussed with the respective PAO.
- ii) Minutes are prepared and signed.
- iii) DAR is updated based on the DAC minutes.
- iv) Further Audit comments are incorporated in the end as a final recommendation of the Audit Para.
- v) Final Audit Report is prepared PAO wise and is sent to the AGP office for Quality Assurance Review.

Quality assurance review at DAGP

- i) Quality assurance is carried out using DAGP's quality assurance framework.
- ii) The framework ensures that the work is performed as efficiently and effectively as possible and complies with INTOSAI Auditing Standards.

Audit report issued to the President

Under Article 171 of the Constitution, reports of the Auditor-General of Pakistan shall be submitted to the President, who shall cause them to be laid before the National Assembly.

Pre- PAC meeting with AGP

- i) Pre PAC meeting is held with Auditor-General or the Additional Auditor-General. The audit paras are discussed thoroughly before being presented at the PAC meeting.
- ii) During the Pre – PAC meeting, the audit observation are categorized according to their significance. Cases, where remedial measures have been taken by the audited departments are also marked for the consideration of the PAC



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Public Accounts Committee (PAC) Meeting

The DAGP supports the PAC for appropriate action against the paras included in the Audit Report. The PAC accordingly disposes of the audit paras by giving necessary directives to the executives/PAOs.

Total Marks 10

Q.4. (Rule 419/I P&T Manual Vol-II, Chap-IX, Page-147)

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Following are the general principles for entering into contract:

- (i) The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.
- (ii) As far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.
- (iii) Standard forms of contracts should be adopted wherever possible the terms to be subject to adequate prior scrutiny.
- (iv) The terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract as so varied No payments to contractors by way of compensation or otherwise outside the strict terms of the contract or in excess of the contract rates may be authorized without the previous approval of the Ministry of Finance.
- (v) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the Ministry of Finance.
- (vi) Whenever practicable and advantageous, contracts should be placed only after tenders have been openly invited and, in cases where the lowest tender is not accepted reasons should be recorded.
- (vii) In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.
- (viii) Even in cases where a formal written contract is not made into order for supplies, etc should be placed without at least a written agreement as to the price.
- (ix) Provision must be made in contracts for safeguarding Government property entrusted to a contractor.
- (x) When a contract is likely to endure for a period of more than 5 years. It should wherever feasible, include a provision for an unconditional power of revocation or cancellation by Government at any time on the expiry of six months notice to that effect.

Q.4. In every case in which it is proposed to introduce an arrangement for the conveyance of mails by

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a motor service or any other mode of conveyance tenders should be called for sufficiently beforehand. A sample of the form in which such tenders may be called for as also officers are given at the end of rule.

If in any particular case it is not possible to call for competitive tenders, the prior sanction of the Director General to the grant of the contract should be obtained in each case. In emergent cases, where the normal procedure is likely to lead to delays or administrative inconvenience, the Head of a Circle may, without calling for tenders, make temporary arrangement for the conveyance of mails for a period not exceeding three months.

It is open to any officer who has called for tenders and who finds that none of those received is satisfactory not to accept the offer of any tender but to open negotiations with any tender or other party after all the tenders received have first been rejected. The above procedure should also be adopted in those cases where no tenders have been received in response to the call.



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Before actually calling for tenders, a schedule of the trips required to be made and the time to be allowed for each trip should be carefully prepared, the approximate monthly mileage which the motor vehicles or any other mode of conveyance will be required to run and the number and class of vehicles or any other mode of conveyance which the contractor will have to maintain should also be determined. The subsidy to be paid should be estimated either at a monthly rate or on a mileage basis.

Total Marks 20

Q.6. Para 7.1 below note (e) Page-100 T&T Manual Vol-V Chapter-III
Para 7.7 Page-103 T&T Manual Vol-V, Chapter-III

- A: If the amount of estimate is Rs 100,000 and above 2% estimate fee will be deducted
Total cost of the estimate Rs 400,000/-
Estimating fee @ Rs 2% (400,000 x 2% = Rs. 8,000/-)
- B: Amount refundable is Rs 400,000– 8,000 = Rs. 392,000/-
- C: Freight Charges 150,000 x 10% =Rs. 15,000
Store Keeping charges x 5% =Rs. 7,500

Total Marks 20
