



**Pakistan Institute  
of Public Finance Accountants**

# **Model Solutions**

**Postal & Telecommunication  
Works, Rules and Procedures  
(Application)**

**AGP | CGA**

**Summer Exam-2024**

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## Summer Exam-2024

### Postal & Telecommunication Works, Rules and Procedures (Application)

#### Q.1. (Para 8.8 of Guidelines of Project Management Chap-8)

##### **Role and Responsibilities of a Project Director/Manager**

Last but not the least is the role of a Project Director in completing the project without time and cost overrun. Among all the stakeholders of a development project or program, role of the Project Director or Manager will be pivotal in the successful implementation of RBM. The Project Director/Manager must concentrate on the following:

- Focus on results as well as implementation.
- Clarify expectations for implementation tasks and set major benchmarks.
- Plan from the outset how, what and when to monitor and evaluate.
- Develop and use indicators in programs.
- Analyze the situation, keeping track of changes and their implications.
- In reports, suggest, actions for decision making.
- Actively learn from mistakes and successes.
- Work more closely with external partners.
- Work with project staff to explain links to outcome.
- Contribute in the office to the team concerned with achieving outcomes

**Q.2.** Average opening Cash Balance: Rs. 312,016/4 = Rs. 78,004  
Average daily receipts from all sources: Rs. 11,621,265 = Rs. 121,055  
(Average number of working days in a month) 4 x 24

**Average Cash Handled Daily (78,004 + 121,055) = Rs 199,059/-**

#### **Q.3. (Rule 6.2 and 152 Page-98 T&T Manual Vol-V)**

##### **FINAL CAPITAL COST BILL**

1.	Cash	Rs. 800,000
2.	Stores	Rs. 450,000
3.	Freight Charges @ 3.5% (450,000 x 3.5 %)	Rs. 15,750
4.	Store Keeping charges 2% (450,000 x 2%)	Rs. 9,000
	<b>Sub-Total</b>	<u><b>Rs. 1,274,750</b></u>
5.	Establishment Charges @ 14% (1,274,750x14%)	<u>Rs. 178,465</u>

**Grand Total (4+5)** **Rs. 1,453,215**

**Less Advance Payment Received** **Rs. 290,643**

**Amount Receivable** **Rs. 1,162,572**

#### **Q.4. 3.4 Compliance with Authority Audit (PT&T Guidelines)**

##### **Objective:**

1. Audit against the provision of funds to ascertain whether the moneys shown as expenditure in the accounts were authorized for the purpose for which they were spent.
2. Audit against rules and regulation to see that the expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the procedure for expending public money.
3. Audit of sanctions of expenditure to see that every item of expenditure was done with the approval of the competent authority in the Government for expending the public money.
4. Propriety Audit which extends beyond scrutinizing the mere formality of expenditure to its wisdom and economy and to bring to light cases of improper expenditure or waste of public money.
5. While conducting the audit of receipts of the Governments, the Auditor-General satisfies himself that the rules and procedures have been properly adopted and ensures that the assessment, collection and allocation of revenue are done in accordance with the law and there is no leakage of revenue which legally should come to Government.
6. Review, analyze and comment on various Government policies relating to different sectors.

**Methodology:**

- Updating the understanding of the business processes with respect to control structure.
- Identification of key controls on the basis of prior years' audit experience /special directions from the head office etc.
- Prioritizing risk areas by determining significance and risks associated with identified key controls.
- Design audit programs including analytical procedures for testing identified risk conditions.
- Selection of audit formations i.e. DDOs on the basis of:
  - Materiality/significance
  - Risk assessment
- Selecting samples as per sampling criteria.
- Execution of audit programs.
- Identification of weaknesses in internal controls and development of audit observations and recommendations relating to non-compliance of laws, rules, regulations and prescribed procedures.
- Integrating the work with financial attest audit, where possible.
- Evaluating results;
- Reporting; and
- Follow up.

**Q.5. Administrative Approval:**

For every work (excluding petty works and repairs) it is necessary to obtain, in the first instance, the concurrence of the competent authority of the administrative department requiring the work. The formal acceptance of the proposals by that authority is termed "administrative approval" of the work, and it is the duty of the local officer of the department requiring the Work to obtain the requisite approval. Similarly administrative approval of the Government or of the competent authority in the T&T Department is equally necessary when it is proposed to incur expenditure in the T&T Department.

**Technical Sanction:**

When a work is carried out on behalf of the T&T Department by another Department the technical sanction will be accorded by the Department that executes the work. If the execution of work is entrusted by the T&T Department to a private contractor the technical sanction will be issued by the department itself.

**Expenditure Sanction:**

This is the sanction accorded by the competent authority to the expenditure proposed on a project. The duty of obtaining expenditure sanction rates with the Department requiring the work. It presupposes the existence of a properly detailed estimate which has received the technical sanction of the proper authority but as far as T&T Department itself are concerned, a technical sanction in addition to an expenditure sanction is not necessary provided expenditure sanction to each detailed estimate continues to be accorded by the authority competent to sanction each such estimate. The expenditure sanction is not an authority to commence the execution of a work without a proper allotment of funds.

**Allotment of Funds:**

Funds may not be allotted for the execution of a project except in so far as the necessary provision has been made in the budget and less the project has received the proper administrative approval, technical sanction and expenditure sanction.

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