



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Postal Accounts Rules
and Procedures
(Application)**

AGP | CGA

Summer Exam-2025

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Q.1. (Para 1.3 of PT&T Audit Guidelines)

Auditors' Responsibility

Knowledge and Training:

Auditors involved in government audits must be well-versed in audit theory, practice, standards, and techniques, as defined by the **Financial Audit Manual (FAM)**. This includes the **Audit Working Papers Kit**.

Quality Assurance:

A strong emphasis is placed on maintaining high-quality audits. The DAGP's framework ensures audits are efficient, effective, and compliant with the **INTOSAI Auditing Standards**. Quality assurance is not a one-time process but occurs at all stages of the audit to ensure errors are identified and corrected early, with clear, well-reported results.

Continuous Oversight:

The quality assurance process spans all phases of the audit, ensuring adherence to guidelines. Supervisors must ensure that auditors follow the prescribed steps, including reviewing audit plans, files, and methodologies.

Director General's Oversight:

The Director-General of the DAGP is responsible for ensuring audits are conducted with efficiency, effectiveness, and high professional standards. This requires proper supervision throughout the audit process.

Q.2. (Rule 285 Post Office Manual Vol-VI Chapter-7 Page 183)

Unclaimed Money Orders

The money order clerk of the office of payment is responsible that every endeavour is made to find the payee before treating a money order as unclaimed. As soon as it is found that a money order cannot be paid, it should be returned to the office of issue for repayment to the remitter. The words "Unclaimed" returned to (office) for payment to the remitter" should be written, under the postmaster's signature, across the particulars filled up by the remitter, and similar note with the date of the despatch of the money order, should be entered in the register of money orders received.

A redirection slip should be pasted to the order, which should then be disposed of according to the rules governing redirected orders, except that no intimation need be sent to the office of issue.

When the amount is repaid, the signature of the remitter should be taken only on the receipt portion of the order in the place for the signature of the payee. No signature should be taken on the acknowledgment portion of the money order, which, together with the coupon, should be detached and handed over to the remitter.

If the unclaimed money order is one that was issued in favour of the sender of a v.-p. article, the postmaster of the office of issue to which it is returned under this rule will not cash it as the remitter, but will treat it as void.

The repayment of money order to the remitter should be noted on the copy of the receipt relating to the money order in question in the book of money order receipts (Form M.O.-1). In the case when an unclaimed money order is paid to the remitter by an office other than the original office of issue (including a no-delivery office) the paying office should send information of the payment to the office of issue (including the no-delivery office), so that a suitable remark may be recorded in the book of money order receipts.

Q.3. (Rule 450 PO Manual Vol-VI)
Mode of closing an account

When a depositor wishes to close his account, he must present or send his pass-book with an application for withdrawal of the balance shown therein as at his credit.

IN HEAD OFFICES, the following procedure should be observed :-

- a) The application should be examined, and placed with the pass-book and ledger before the head postmaster, who will satisfy himself in the prescribed manner that the amount to be withdrawn is the balance at credit of the depositor and then calculate the profit due on the account up to the close of the preceding month.
- b) The profit should be credited by the head postmaster in the pass-book, as in the specimen below, the amount of profit being added to the balance at credit of the depositor. A warrant of payment, in which the principal and profit are shown separately, and a memo, of the transaction in form S.B.-7(«) to be given to the person to whom payment is made, should then be prepared and stamped by the savings bank clerk, and after these documents have been signed by the head postmaster, the savings bank clerk should make an entry of the withdrawal in the savings bank journal in the prescribed manner. The amount of profit for the year (i.e., from 1st July of the current official year) should be entered in addition in the proper column of the journal. The memo, of the transaction should be made out in a local language when the application for withdrawal has been signed by the depositor in a local language or when the depositor is illiterate. In all other cases, it should be prepared in English.
- c) The entries in the pass-book should be filled in by the savings bank clerk as in the specimen below, and, after it has been impressed with the date-stamp, it should again be placed with the savings bank journal before the head postmaster. The latter should compare the entries in the journal and passbook, and write in the journal the word " Nil" in the column for balance at credit of the depositor, and the words " Account closed ", in the column for remarks. The latter remark should also be written below the last entry in the pass-book and ledger. The pass-book and journal should be initialled by the head postmaster and given back to the savings bank clerk, who should then pay the amount due in accordance with the procedure described in rule 442(3). The memo, of the transaction should be made over to the person to whom payment is made. The pass-book should be taken from the depositor and put aside with the warrant of payment for despatch to the Audit office.

Q.4. (Para 20 of Insurance Fund Rules 2000)

ACCIDENT INSURANCE

Holder of a Postal Life Insurance/Endowment Assurance Policy or policies may apply to the General Manager within a year of the issue of the policy for a supplementary contract providing for accidental death or accidental combined with permanent disability benefits insurance. Benefits under the supplementary contract and premia payable therefore will be as follows. These benefits will be in addition to the benefits under Life Insurance/Endowment Assurance Policy.

Exception (i):

Not with standing the above provisions of the Rule, a policy holder may apply for supplementary contract after the expiry of one year from the date of issue of policy provided, he pays all the arrears premiums of the supplementary contract as if it had come into force from the date of issue of the policy in combination with which it is to be issued. If the proposal is accepted by the General Manager, the date of issue of the supplementary contract will be the date of payment of all the arrears of the premium due. The supplementary contract in such cases shall, however, cover risk only from the actual date of its issue. i.e it will not cover risk that has occurred between the issue of the original policy and issue of the supplementary contract. No interest shall be charged on arrear premiums.

Exception (ii):

Supplementary contracts are not admissible in case of non medical policies, in case of Defence

personnel the supplementary contract shall not cover the risks of death, disability or injuries caused by war, war-like operations and occupational aviation engagement etc but Air Travel as a passenger in commercial Airlines over an established route will be covered.

Death by Accident:

Rate of premium-Rs.3 per annum, for every Rs.1,000 or part thereof payable in advance.

Benefits:

In case of death of the person insured before maturity of the policy or before his attaining the age of 55 years. Whichever is earlier, as a direct result of drowning or of external bodily injuries caused by external, violent and accidental means of which, there is evidence of a visible contusion or would on the exterior of the body, of internal injury revealed by autopsy, payment of the face amount of Insurance under the supplementary contract will be made to the Executors, Administrators of assignees of the insured provided death occurs within ninety days from the date of such injuries.

Q.5.

Date	Opening Balance	Deposit	Withdrawal	Closing Balance	Interest bearing Balance	
01.07.2023	726,490	-	-	726,490	726,490	7/23
				726,490	726,490	8/23
01.09.2023	726,490	70,000	-	796,490	796,490	9/23
					796,490	10/23
					796,490	11/23
01.12.2023	796,490	-	30,000	766,490	766,490	12/23
					766,490	01/24
					766,490	02/24
15.03.2024	766,490	126,700		893,190	766,490	03/24
					893,190	04/24
					893,190	05/24
					893,190	06/24
					9,587,980	

DISCLOSURES:

Opening Balance 1.7.2023 Rs 691,220
Add: Interest for the year Rs 26,770
Add: Arrears Rs 8,500
 Rs 726,490

9,587,980 x 10% = Rs 79,900
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Closing Balance as on 30.06.2024 Rs 893,190 + 79,900 = Rs 973,090/

Q.6.

Description	Amount Due	Amount Drawn	Difference
Pay for the month of February	107,000	95,000	12,000
Pay for the month of March	107,000	95,000	12,000
Pay for the month of April	107,000	95,000	12,000
Pay for the month of May	107,000	95,000	12,000
Total difference of Pay			48,000
Less Income tax @ 12.5%			6,000
Net amount payable			42,000
