Pakistan Institute
of Public Finance Accountants

Model Solutions

Service Rules Theory
AGP | CGA

Summer Exam-2025

MODEL SOLUTIONS – DISCLAIMER

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Q.1. Although both the controlling officer and the audit officer have to scrutinize the correctness of the T.A. claim, but it is the controlling officer, who has to share the major part of responsibility in this behalf. The audit officer exercises merely a test check on the distances and other relevant facts contained in the T.A. bill, in order to ensure that the Government servants claim the railway or steamer fare for the class of accommodation to which they are entitled and have actually travelled in that class. They may be asked to give a certificate in their T.A. bill to the effect that they have actually travelled in the class of accommodation for which the travelling allowance has been claimed. In cases where a Government servant has to travel in a higher or lower class of accommodation in the interest of public service, this fact should be duly communicated to the audit either in the T.A. bill or through a separate covering letter. Where road mileage has been claimed the Government servant should be asked to record a certificate about the mode of conveyance (own car, borrowed car, full taxi, motor cycle/scooter or by taking a single seat) actually used.

In the column ―Purpose of Journey the specific purpose should invariably be mentioned. In some of the T.A. bills submitted to Audit, the purpose of journey is often indicated by such vague expression as official business, official duty and official tour', etc. As it is necessary to know the exact purpose for which journey is undertaken in order to determine whether the cost of the journey is correctly debitable to the Government, an indication as to the specific purpose of the journey is essential.

The controlling officers, in terms of S. R. 195, are responsible to ensure that the specific purpose of the journey is always indicated on the T.A. bill. This requirement should invariably be complied with in order to obviate the delay which otherwise occurs as a 74 result of the submission of incomplete T.A. bills, which have to be returned by Audit. Where the purpose of the journey is of a secret nature, it may be indicated in a separate letter signed by the Controlling Officer and sent in a sealed cover to the Audit Officer concerned by name.

Q.2. The Federal Employees Benevolent & Group Insurance Funds (FEB & GIF) at present pays following benefits on death of an employee during service.

a) If an employee dies during service his/her spouse, or nominee is paid monthly benevolent grant from Rs. 4,000/- to Rs. 10,100/- according to different pay slabs for whole life. In case spouse re-marries or dies, the monthly benevolent grant is transferred to eligible family members for a maximum period of fifteen years. The period of grant is worked out from the date of death of the employee. Unlike family pension the amount of grant is not reduced for spouse or other family members.

b) Family of deceased employee is also paid sum assured from Group Insurance ranging from Rs. 350,000/- to Rs. 1,000,000/- according to pay slabs.

c) The family of deceased employee is also paid burial charges of Rs.10,000/-.

Q.3. Deductions in pursuance of the Federal Employees Benevolent Fund and Group Insurance are to be made from the employees in the civil armed forces according to Federal Employees Benevolent Fund and Group Insurance Act, 1969 and the Rules. All the provisions of the Federal Benevolent Fund and Group Insurance Act, 1969 have come into force as from the 3rd April, 1969 in respect of all employees as defined in that Acts. It was, therefore, necessary that the deductions on account of subscriptions to Benevolent Fund and premia for Insurance Fund were to be started from the salaries of all employees for the month of April, 1969 on the first of May, 1969.

The monthly rates of subscriptions to the Benevolent Fund and premia to the Insurance Fund are prescribed as follows for the present:-

(a) Federal Employees Benevolent Fund (Rs.120/- maximum to Rs.960/- maximum).- Two per cent of the pay (maximum Rs.155) as defined in the aforesaid Act.

(b) Federal Employees Insurance Fund Rs. 1.05 + 11.375 per cent of pay (maximum Rs. 182).

The insurance premia on behalf of all non-gazetted employees shall be paid by the government itself to the FEB&GIF. The procedure for collection and accounting of subscriptions and premia to the Benevolent and Insurance Funds has been laid down by the Ministry of Finance. According to the procedure two Forms TR-54-A for Gazetted Employees and TR-54-B for NonGazetted Employees have been introduced to account for subscriptions and premia to these Funds. As gazetted officers are self-drawing officers the deductions toward the Federal Employees Benevolent Fund and Insurance Fund shall be made by the officers themselves from their pay bills. In the case of non-gazetted establishment, the Drawing and Disbursing Officer shall make deductions from the establishment pay bills in respect of Benevolent Fund only. However, the amount which is to be contributed by government to the Insurance Fund on account of premia for its non-gazetted employees shall also be worked out and shown in the relevant columns of Form TR 54-A which is to be attached with establishment pay bills.

The Drawing and Disbursing Officers shall make sure that the amounts pertaining both to non-gazetted employee's subscriptions to the Benevolent Fund and government's contribution of premia to the Insurance Fund shown in the schedule in Form TR 54-B attached to establishment pay bills are correct in all respects. Column 1 of TR Forms 54-A and space for Code No. of Drawing and Disbursing Officer in TR 54-B may be left blank for the present. Entries therein should be made when Identification and Code Numbers are communicated in due course.

After receipt of the monthly accounts from the treasuries together with the certified copies of the schedules, the Accounts Offices shall credit the deductions on account of Benevolent Fund and Insurance Fund in respect of Gazetted employees and on account of Benevolent Fund in respect of non-gazetted employees to the deposit heads. The Accounts Offices shall also furnish a consolidated statement of receipts in respect of each Fund to the Board of Trustees.

Q.4. APPOINTMENT TO HIGHER POSTS WITHOUT OBSERVING DUE PROCESS:

In the Establishment Division O.M.No.2/25/69-C.I., dated July 31, 1979, instructions were issued that appointments of officers of lower grades* to posts in higher grades without observing the prescribed process must cease. It was also laid down that if it was necessary to do so due to exigencies of services the post should be down-graded with the approval of the Establishment Division.

In January, 1981, Rule 8-A and 8-B were inserted in the Civil Servants (Appointment, Promotion and Transfer) Rules, 1973 vide Establishment Division Notification No.S.R.O.41 (I)/81, dated 12th January, 1981. Rule 8-A lays down that no promotion on regular basis shall be made in grades** 19 to 21 unless the officer has completed the prescribed length of service. Rule 8-B provides for acting charge appointment in case the most senior civil servant otherwise eligible for promotion does not possess the specified length of service, or in the case of a grade* 17 post and above, reserved under the rules for initial appointment, no suitable officer of the grade in which the post exists is available. For vacancies of less than 6 months, or in other cases not covered by Rule 8-B, current charge arrangement can be made in accordance with the Establishment Division O.M.No.1/21/76-AR.I/R.II., dated 18th June, 1980, as amended from time to time. With the issue of the instructions relating to acting charge appointments and current charge arrangements, there should be no difficulty in filling vacancies.

The Ministries/Divisions and Departments have the duty to ensure that all appointments to higher posts, whether on regular basis or on acting charge/current charge basis, should henceforth be made strictly in accordance with the rules, and after observing the prescribed procedure and that on no account should a person be appointed to a higher post otherwise than in accordance with the rules, or without observing the prescribed procedure.

Q.5. (1) Pension Contribution

a) Recovery of pension contribution shall be made at a uniform rate of 33 1/3 % of the mean of minimum and maximum of the pay scale held by the Government servant concerned at the time of his proceeding on foreign service, plus, other emoluments (reckonable for pension) which would have been admissible to him had he not been deputed on foreign service. The above prescribed rate of pension contribution shall apply to all Federal Government employees whether on deputation to foreign service within Pakistan or abroad.

b) The pension contribution in all cases shall be payable by the foreign employers. However, in the case of Government servants on deputation to foreign service within Pakistan or abroad before 01 - 01-1982 pension contributions shall be paid by the foreign employers or the Government servants concerned, as the case may be, according to the agreed terms of deputation.

c) In case the Government servant is on deputation outside Pakistan, the foreign employer (and where foreign employer is not agreeable to pay the pension contribution) the Government servant concerned shall during the period of foreign service pay to the Government of Pakistan pension contribution in foreign currency in accordance with the relevant rules and at the rates prescribed from time to time by the Government of Pakistan. The remittance shall be made by the foreign employer or the Government servant concerned through normal banking channel to the parent office of the Government servant concerned in Pakistan with a covering letter showing the relevant head of account. The parent office will send copies of challans and schedules to the Account Officer concerned for information and necessary action. On delayed payment of these contributions, the provisions of S. R. 307 shall apply. Till such time as the rates of pension contributions are ascertained and intimated by the Audit Office concerned the foreign employer or the Government servant concerned shall provisionally pay pension contribution in foreign currency at a uniform rate of 33 1/3% of the mean of minimum and maximum of the pay scale held by him at the time of his proceeding on foreign service, plus other emoluments (reckonable for pension) which would have been admissible to him had he not been deputed on foreign service.

d) In the case of an employee of an autonomous/semi autonomous organization, who renders service in a Government Department on deputation the concerned department may make payment of pension contribution to the autonomous organization concerned at the prescribed rates, subject to the following conditions:

(i) The appointment of the individual concerned in the Government department was made with the consent of the head of the autonomous organization and with the approval of the competent authority in the Government department concerned, in accordance with the normal procedure for making such appointments.

(ii) The regular employees of the autonomous organization concerned are entitled, under specific rules of the organization for the purpose, to the same benefits of pensions as are admissible to the civil servants of the Federal Government, and the employee concerned had rendered qualifying service for pension in his parent organization before his appointment on deputation in the Government department concerned.

(iii) The autonomous organization concerned agrees to count the service of the individual concerned under the Government for the purpose of pension.

Q.6. Constitutions and functions of the departmental promotion committees:

The Cabinet has decided that Departmental Promotion Committees should be set up in all Ministries to make recommendations in respect of posts which must be filled by selection and which do not come within the scope of the Selection Board.. The scope of Departmental Promotion Committees shall include promotions within Class or from Class II to Class I and within Class II. It is not, however, intended that in respect of services which have a senior and a junior time-scale, the ordinary movement of an officer from the junior to the senior time-scale should come before the Committee‘s purview. Recommendations of Departmental Committees concerning promotions from Class II* to

Class I* shall, also be subject to the approval of the Federal Public Service Commission.

The Committee to be established in each Ministry should consist of the Secretary or an officer nominated by him and at least two other officers who preferably should be officers familiar with the work of candidates for promotion. It will be open to each Ministry to have more than one Committee for dealing with promotions to different categories of posts, e.g., one Committee for promotion to posts of Superintendents and another for promotion to other posts. Where separate Committees are set up, it will be desirable to maintain liaison between them by having, for example, a common member.

The Public Service Commission should be associated with these Committees to the greatest extent possible. The Commission should invariably be invited to depute a member to sit on all Committees dealing with promotions to and within any Central Service, Class I*. It may not be practicable for the Commission, at any rate at present, to be represented on all Committees in connection with promotions to and within the Federal Service, Class II*, but the list of such services under the control of each Ministry should be examined in order to determine whether or not there are any services in making promotions to which it is particularly desirable to have the Commission represented in the relevant Committee.

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