



# GOVERNMENT OF KHYBER PAKHTUNKHWA FINANCE DEPARTMENT

Finance Department Civil Secretariat Peshawar <http://www.finance.gkp.pk> [facebook.com/GoKPFD](https://www.facebook.com/GoKPFD) [twitter.com/GoKPFD](https://twitter.com/GoKPFD)  
13-10

No 13/10(F/L)FD/2022/SDF  
Dated Peshawar the 23<sup>rd</sup> November 2022

To

All Administrative Secretaries,  
Government of Khyber Pakhtunkhwa

Subject: - **ACCOUNTING PROCEDURE FOR SPECIAL DEPOSIT FUNDS**

Dear Sir,


I am directed to refer to the subject noted above and to enclose herewith a copy of Controller General of Accounts, Islamabad letter No.391/CGA/AC-II/4-586/2022 dated 16.11.2022 alongwith approved Khyber Pakhtunkhwa Accounting Procedure for Special Deposit Funds 2022 Provincial Public Account duly vetted, for implementation.

As per para-3 (iii) of the procedure ibid, and in order to facilitate implementation of subject accounting procedure the following officer(s) have been nominated as focal persons for further guidance in the matter:

S.No	Name & Designation	Office	Contact No
1	Dr.Yaqoob Ahmad, Treasury Officer	Treasury Office, Peshawar	091-9213114 0334-9142286
2	Mr.Wahid Iqbal, Assistant Treasury Officer	Treasury Office, Peshawar	091-9213114 0333-9090075

Yours faithfully,

Encl: As above

  
(S A D A Q A T)  
BUDGET OFFICER (FUNDS/LOANS)  
091-9210436

Endost. No. & dated even

Copy of above is forwarded for information and necessary action to:

1. The Accountant General, Khyber Pakhtunkhwa, Peshawar.
2. The Chief Manager, State Bank of Pakistan, Peshawar.
3. The Director Treasury and Accounts, Khyber Pakhtunkhwa, Peshawar
4. The Regional Chief Head Qtr, National Bank of Pakistan, Khyber Pakhtunkhwa, Peshawar.
5. All District Comptroller of Accounts, in Khyber Pakhtunkhwa.
6. All District Accounts Officers in Khyber Pakhtunkhwa.
7. The Treasury Officer, Peshawar with the direction to arrange full proof modalities.
8. The Director, FMIU, Finance Department with the request to upload the above instructions on Finance Department's website.
9. The Account Officer (Accounts), Govt of Pakistan, Controller General of Pakistan, CGA Complex, FBC Building, Sector G-5/2, Islamabad with reference to his letter quoted above alongwith copy of approved procedure.
10. All Budget Officers in Finance Department.
11. PS to Finance Secretary.

  
BUDGET OFFICER (FUNDS/LOANS)



GOVERNMENT OF PAKISTAN  
**CONTROLLER GENERAL OF ACCOUNTS**  
CGA Complex, FBC Building, Sector G-5/2  
ISLAMABAD  
www.cga.gov.pk

NO. 391/CGA/AC-II/4-586/2022

Dated: 16.11.2022

The Secretary to Govt. of Khyber Pakhtunkhwa,  
Finance Department, Peshawar.

Subject: **VETTING OF ACCOUNTING PROCEDURE FOR SPECIAL DEPOSIT FUNDS.**

The undersigned is directed to refer to your office letter No. FMIU/FD/4-2/CoA/2020-21 dated: 04-11-2022 on the subject cited above and to convey concurrence of this office to the draft Accounting Procedure for Special Deposit Funds received vide above said letter.

2. Copy of the approved and notified Accounting Procedure for Special Deposit Funds, 2022 may be provided to this office for record please.

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(AKHTAR ALI)

Accounts Officer (Accounts)

Copy to:

1. Accountant General, Khyber Pakhtunkhwa, Peshawar.
2. Special Secretary (Budget), Finance Department KP, Peshawar.

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# Government of Khyber Pakhtunkhwa

## KP Accounting Procedure for Special Deposit Funds 2022

### Provincial Public Account

#### 1. Short title, extent and commencement

This procedure shall be called the KP Accounting Procedure for Special Deposit Funds 2022 and shall have applicability across the province with immediate effect.

#### 2. Authority & scope/applicability

- i. These accounting procedures are issued under Article 119 of the 1973 Constitution of Pakistan and Section 17 of the KP Public Financial Management Act, 2022. These shall apply to all entities as specified in Schedule I to this procedure and shall cover relevant classification assigned under Chart of Accounts for each entity to fall in the major category of G12 – Special Deposit Funds.
- ii. The overarching objective of this procedure is to streamline the Treasury Single Account functionality within Government of KP.
- iii. This procedure to serve as the overarching framework for the management of funds falling under G12 – Special Deposit Funds. The detailed policies/procedures governing the budgeting, accounting and financial reporting of each entity as framed and approved under its respective statute shall remain operative and shall stand amended to the extent of provisions entailed in this procedure.

#### 3. Establishment of Special Deposit Funds

- i. Creation of new GL Account in CoA for existing/new entities shall be formally requested by KP Finance Department and the Controller General of Accounts shall have the authority to authenticate and activate the desired GL Account in SAP system.
- ii. Transition to this procedure shall be as per the formal instructions issued by KP Finance Department.
- iii. The Directorate of Treasuries & Accounts Peshawar shall notify focal person(s) and establish a help desk to support the entities concerned for smooth operations. Furthermore, it shall ensure required logistics arrangement for the establishment of these Funds and their continued operation.
- iv. The Cash Balances in respect of entities classified in Schedule I to this procedure lying in Commercial Banks shall be transferred to the specified Special Deposit Account of each entity under the G12 – Special Deposit Funds forming part of the Public Account of Khyber Pakhtunkhwa.
  - a. All entities concerned shall deposit the Cash balances through verified challan from the treasury into concerned treasury against the specified/designated GL Account.
  - b. The following accounting entry shall be made by the concerned DCA/DAO/TO as soon the funds are transferred from commercial banks to the GoKP mainstream SBP A/C-I – Non Food Account:

Dr: F01101 – SBP Non Food Account



Cr: G12 - Head of concerned entity (Public Account)

- v. All accounts maintained at commercial banks for these funds shall stand closed and each entity shall secure fresh authorization from KP Finance Department for one bank account for operational reasons, which shall be maintained at Nil balance.

#### 4. Custody & Operations

- i. Administrative Secretary of the concerned department shall by default be the Principal Accounting Officer in respect of regular formations. In case of autonomous/semi-autonomous bodies, authorities, boards and institutes the Principal Accounting Officer shall be as determined under their overarching legislative framework governing these entities.
- ii. The drawing and disbursing authority shall either be directly exercised by the respective Principal Accounting Officer or may be delegated to a subordinate gazette officer.
- iii. These Special Deposit Funds shall be maintained and operated at the respective Treasury Office.
- iv. Funding from annual budget shall be governed under the prevalent budgetary framework of GoKP. Distinct budget line items in respect of entities not covered already shall be created by KP Finance Department in lieu of the operational modalities earlier financed through profits out of the funds balances maintained at commercial bank accounts.
- v. Operational revenue realized shall stand credited to the respective Special Deposit Fund of the entity concerned and provision 3 (iv) of this procedure shall apply accordingly.
- vi. Funds released by the Finance Department against approved budget shall be transferred to the specified Special Deposit Fund of respective entity. The following entry shall be made by DCA/DAO/TO concerned:

Dr: Axx - Budget Head (Consolidated Fund)

Cr: G12 - Head of concerned entity (Public Account)

- vii. All withdrawals from the specified Special Deposit Fund shall be in the following manner:
- a. The concerned TO shall verify the credit balance in the specified Special Deposit Fund of the entity and shall endorse the cheques along with prescribed proforma issued for payment. The SBP shall honor only those cheques which have been duly endorsed by the DCA/DAO/TO.
- b. DCA/DAO/TO shall accordingly make the following entry:

Dr: G12 - Head of concerned entity (Public Account)

Cr: G01 - Special Deposit Funds Cheques Clearing

- c. On receipt of paid cheques by the DCA/DAO/TO, the following entry shall be made:

Dr: G01 - Special Deposit Funds Cheques Clearing

Cr: F01101 - SBP Non Food Account

- viii. No expenditure shall be authorized from the Specified Special Deposit Funds through transfer to the commercial bank account of the entity. In spirit of the policy all such payments shall be made through crossed cheque in the name of actual payee.

- ix. These Special Deposit Funds shall be non-lapsable and any unspent balance on 30<sup>th</sup> June shall be carried over as opening balance for the next financial year.
- x. The Director/in charge Finance of the concerned entity shall submit a statement of receipt and disbursement on 5<sup>th</sup> of each month to the Chairman/Head of Competent Forum of the entity concerned with a copy to the Administrative Secretary so that to enable them to steer the flow of expenditure.
- xi. The concerned DCA/DAO/TO shall record all receipts and payments in Special Deposit Fund Accounts in the Integrated Financial Management Information System/SAP in real-time as per the protocols/standards already in vogue.
- xii. The public entities as specified in this procedure shall prepare accounts in accordance with the International Public Sector Accounting Standards (accrual basis) and as per the prescribed scheme of classification/CoA as authenticated by the Controller General Accounts.
- xiii. The specified public entities shall prepare financial statements as prescribed in IPSAS and shall be certified by a Chartered Accountant. The audited financial statements of the audited entities shall be submitted to the Controller General Accounts before 30<sup>th</sup> Sep each year.
- xiv. The external audit of the specified Special Deposit Funds shall be conducted by the Auditor General of Pakistan.



Schedule I – List of Entities for Switch over to Special Deposit Funds

1. All Medical Teaching Institutions of KP – Already operative under Reserve Fund
2. Provincial Disaster Management Authority
3. KP Highways Authority
4. Peshawar Development Authority
5. KP Trans Peshawar
6. Pakhtunkhwa Housing Authority
7. KP Board of Investment
8. KP Culture & Tourism Authority
9. KP IT Board
10. KP Textbook Board
11. IGP Fund
12. KP Forest Development Fund
13. KP Agriculture Development Authority
14. KP Directorate of Sports
15. KP Food Safety & Halal Food Authority
16. Pakhtunkhwa Energy Development Organization
17. KP Small Industries Development Board
18. KP Technical & Vocational Training Authority

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