



# GOVERNMENT OF KHYBER PAKHTUNKHWA FINANCE DEPARTMENT

Finance Department Civil Secretariat Peshawar

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General-s

No.2/3(F/L)/FD/2019-20/Vol-XIII  
Dated Peshawar the 03<sup>rd</sup> February, 2020

To

1. Additional Chief Secretary, P&DD, Govt. of Khyber Pakhtunkhwa, Peshawar.
2. Senior Member Board of Revenue, Khyber Pakhtunkhwa, Peshawar.
3. Principal Secretary to Chief Minister, Khyber Pakhtunkhwa, Peshawar.
4. Secretary to Governor, Khyber Pakhtunkhwa, Peshawar.
5. All Administrative Secretaries to Govt of Khyber Pakhtunkhwa, Peshawar.
6. All Heads of Attached Departments in Khyber Pakhtunkhwa.
7. All Deputy Commissioners in Khyber Pakhtunkhwa.
8. Registrar, Peshawar High Court, Peshawar.
9. Chairman, Khyber Pakhtunkhwa Public Service Commission, Peshawar.
10. Chairman, Khyber Pakhtunkhwa Service Tribunal, Peshawar.
11. Chairman, Right to Information Commission.
12. Chairman, Right to Public Services Commission.
13. All Chief Executives Autonomous/ Semi-Autonomous Bodies/ Organizations /Corporations in Khyber Pakhtunkhwa.

Subject: - **PLACEMENT OF PUBLIC FUND IN BANKS & ITS RECONCILIATION ON CLOSING OF FINANCIAL YEAR i.e. 30<sup>TH</sup> JUNE**

Dear Sir,

I am directed to refer to the subject noted above and to state that it has come to the notice of Government that most of the Drawing & Disbursing Officers of the Departments/ Offices / Autonomous & semi-autonomous Bodies / Organizations/ Corporations in Khyber Pakhtunkhwa have kept substantial amount of Government money in various Banks without any valid authority and approval of Government which is violation of the para-6, 7, 66, 95, 96 of GFR Vol-I and Rule-290 & 295 of Federal Treasury Rules (FTR) where budget is appropriated for current financial year only. This is a serious irregularity and mis-appropriation of Government money.

2. Attention is invited to the following State Bank of Pakistan regulations applicable on Banks & DFIs:-

"Government Accounts: 21. Government accounts shall not be opened in the personal names of the government official (s). Government account which is to be operated by an officer of the Federal / Provincial / Local Government in his / her official capacity, shall be opened only on production of a special resolution/authority from the concerned administrative department duly endorsed by the Ministry of Finance or Finance Department of the concerned Government".

3. The Government has taken a serious view of this situation and have directed as under: -

- i. No funds shall be transferred from the Assignment Accounts for deposit into chest or any bank account maintained by the entity concerned as per para 3(iii) of the Revised Procedure of operation of Assignment Account circulated vide letter No.5/139(F/L)FD/2019/Vol-III dated 07.05.2019.

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General-s

- ii. No funds should be kept in any Bank account by any Drawing and Disbursing Officer unless expressly authorised by the Finance Department. Such funds lying in Banks should be drawn and credited to Government Treasury immediately except where Departments/Offices/Autonomous & semi-autonomous Bodies /Organizations/Corporations have been specifically permitted under some Statute /Act.
  - iii. Demand for advance payment sanction shall be made on quarterly basis, to be submitted to the respective Budget/Development section of Finance Department along with the following documents.
    - a. Latest reconciled Bank Statement
    - b. Utilization report of previous released amount
    - c. Procurement plan
  - iv. The fund remaining undrawn in the designated bank account against the authorized ceilings at the close of respective financial year shall be intimated to Finance Department.
  - v. The unspent balance in the designated bank account, if any, remaining on June 30<sup>th</sup> of respective Financial Year shall not be available without its revival in next financial year by Finance Department.
  - vi. Designated Bank accounts shall stand closed on completion of respective scheme/program/purpose.
  - vii. Monthly expenditure statement of the bank accounts alongwith reports of bank-wise funds placement and balance lying therein be furnished to Finance Department on regular basis.
  - viii. Quarterly & annual reconciliation of the designated bank accounts shall be carried out with respective Budget/Development section of Finance Department and next tranche shall only be released once utilization status of the previous quarterly released amount is found satisfactory.
  - ix. In case of current account, the same be converted to PLS mode and the profit earned on designated bank accounts be deposited in Government Treasury immediately except where Departments/Offices/Autonomous & semi-autonomous Bodies/ Organizations/ Corporations have been specifically permitted under some Statute/Act in the following head of account.

C01	Total income from property and enterprise
C018	Total interest on loan – others
C01803	Interest realized on investment of cash balance
PR5562	RCO #
4. All heads of Government Departments/Offices/Autonomous & semi-autonomous Bodies/Organizations/Corporations in Khyber Pakhtunkhwa are hereby advised to ensure strict compliance with the above instructions of the Government in letter and spirit. Failure to comply with these instructions shall be taken seriously and stern disciplinary proceedings will be initiated against the concerned Departments/ Offices/ Autonomous & semi-autonomous Bodies /Organizations/ Corporations.

Yours faithfully,

  
(HAMMAD RAZA)

BUDGET OFFICER (FUNDS/LOANS)

91-9210436



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General-s

Endost: No. & Date even.

Copy forwarded to:-

1. The Accountant General, Khyber Pakhtunkhwa.
3. The Managing Director, Bank of Khyber, 34 the Mall, Peshawar Cantt.
4. PSO to Chief Secretary Govt. of Khyber Pakhtunkhwa, Peshawar.
5. The Coordinator, PMRU o/o Chief Secretary, Peshawar
6. The Director, FMIU, Finance Department with the request to upload on Finance Department's website.
7. PS to Minister Finance, Khyber Pakhtunkhwa.
8. The Director, Local Fund Audit, Peshawar.
9. The Director, FMIU, Finance Department.
10. All Section / Budget Officers in Finance Department.
11. Private Secretary to Finance Secretary
12. PS/PAs to SSF-I & II/Additional Secretaries/Deputy Secretaries in Finance Department.

**BUDGET OFFICER (FUNDS/LOANS)**

Copy forwarded for information and necessary action to:-

1. Additional Director, Finance Department, State Bank of Pakistan, I.I. Chundrigar Road, Karachi with the request to issue above Standard Operating Procedure (SOPs) to all banks for compliance please.

**BUDGET OFFICER (FUNDS/LOANS)**

