



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Financial System of
District Education &
Health Authorities
(Application)**

Treasury-KP Govt.

Winter Exam-2025

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Winter Exam-2025
Solutions – Financial System of District Education & Health
Authorities (Application) Treasury-KP Govt.

- Q.1.**
1. It is brought into notice that, all the Ambulances of District Health Authority, Mardan were purchased during 2010 and 2011. These are 15 years old and outlived their operational lives.
 2. The importance of Ambulance is vital for Health care facilities, because these are used to meet emergencies and save the precious lives of seriously ailing people.
 3. Their replacement is imperative, because existing ambulances have not remained road worthy, they develop faults frequently as well maintenance cost and Pol consumption is also abnormally high.
 4. The matter was also discussed in the Executive Council of the District, wherein it was approved with majority.
 5. The estimated cost of each ambulance is Rs.15,000,000/- total cost of 10 Ambulances will be Rs. 150,000,000/-
 6. However, the purchases will be made in accordance with PPRA Rules.
 7. The matter is forwarded for the perusal and approval of the Chairman, Local Government Finance Commission, KPK for arranging the requisite from Finance Department. KPK.
 8. The matter may be treated as most urgent because, the Chief Minister, KPK has given a priority to the Health care in the province.
 9. The Minister for Health, KPK has seen the summary and approved it.

- Sd-
(XYZ)
Chief Executive Officer.
District Health Authority, Mardan

Q.2.

| Type of UCs | No. of UCs | Weightage | Total Weightage |
|-------------|------------|-----------|-----------------|
| A-Type | 10 | 3 | 30 |
| B-Type | 10 | 2 | 20 |
| C-Type | 10 | 1 | 10 |
| | | Total | 60 |

Distribution: Rs. . 600,000,000/60 = Rs. 10,000,000 each

| Type of UCs | No. of UCs | Rs. 100,000,000 each | Weightage | Total Distribution /UC as per weightage/size |
|-------------|------------|----------------------|-----------|--|
| A-Type | 10 | 100,000,000 | 3 | 300,000,000 |
| B-Type | 10 | 100,000,000 | 2 | 200,000,000 |
| C-Type | 10 | 100,000,000 | 1 | 100,000,000 |
| | | | Total | 600,000,000 |

Q.3.

Debt and Investments: (1) A District Authority shall not obtain any debt without prior approval of the Government.

(2) In case of surplus amount to immediate requirements of Pension Fund, a District Authority may:

- (a) invest such amount in a saving account or a fixed deposit account in a bank duly approved by the Government; and
- (b) invest such amount in such public securities or in such other manner as may be specified by the Government.

(3) The details of all investments shall be recorded in a register of investment and the statement showing the amount and nature of all investments shall be attached to the annual budget statement and annual accounts for information of a District Authority.



Winter Exam-2025
Solutions – Financial System of District Education & Health
Authorities (Application) Treasury-KP Govt.

Q.4.

| S.No | Head of A/c | Budget-2024-25 | Budget-2024-25 | Total Allocation | Expenditure -2024-25 | (+)Saving/ (-)Excess |
|------|---------------------------|----------------|----------------|------------------|----------------------|-------------------------|
| 1 | Pay of Officers | 150,000,000 | 20,000,000 | 170,000,000 | 169,900,000 | 100,000 |
| 2 | Allowances of Officers | 60,000,000 | 10,000,000 | 70,000,000 | 74,000,000 | -4,000,000 |
| 3 | Pay of Staff | 90,000,000 | 10,000,000 | 100,000,000 | 99,000,000 | 1,000,000 |
| 4 | Allowances of Staff | 40,000,000 | 9,500,000 | 49,500,000 | 50,000,000 | -500,000 |
| 5 | TA/DA | 1,500,000 | 300,000 | 1,800,000 | 1,800,000 | 0 |
| 6 | Utilities | 3,000,000 | 1,000,000 | 4,000,000 | 4,000,000 | 0 |
| 7 | Purchase of Tool & Plants | 5,000,000 | 2,000,000 | 7,000,000 | 7,000,000 | 0 |
| 8 | Purchase of Furniture | 6,000,000 | 1,500,000 | 7,500,000 | 5,999,000 | 1,501,000 |
| 9 | Purchase of Machinery | 9,000,000 | 2,000,000 | 11,000,000 | 8,890,000 | 2,110,000 |
| | | 364,500,000 | 56,300,000 | 420,800,000 | 420,589,000 | 211,000 |

Explanations:

1. Purchase Of Furniture- Saving of Rs. 6,901,000/- was occurred due to faults were noticed in some items of furniture. The contractor was directed to remove the defective furniture and supply a good quality furniture as per specification. The contractor failed to supply a replaced furniture till June-2025.
2. A saving of Rs. 2,110,000 was occurred in Purchase of machinery. It was an imported item, its shipment was delayed.

Q.5. The honoraria are granted for occasional, meritorious work outside an employees' regular duties, with prior approval and specific reasons documented. There are specific rules and committees involved in determining eligibility and distributing honoraria particularly for performance-based recognition. The rules also detail limitations and procedures for honoraria disbursement.

Ineligibility for honorarium entitlement.

- a. Employee under disciplinary action
- b. On leave
- c. Habitual absconder from duty
- d. Not achieving his assigned task in time.

Q.6. Approval of budget.–

- 1) Before the commencement of the next financial year, the Head of local government shall present the budget for consideration and approval of the local government.
- 2) The local government may discuss the charged expenditure but shall not vote on such expenditure.
- 3) The budget of a local government shall, subject to quorum, be approved by simple majority and the local government shall not take up any other business during the budget session.
- 4) Secretary may review approved budget of a local government, and if found contrary to the budget rules, may require the local government to rectify it.
- 5) A budget shall not be approved if the sums required to meet estimated expenditure including previous liabilities and commitments exceed the estimated receipts.



Winter Exam-2025
Solutions – Financial System of District Education & Health
Authorities (Application) Treasury-KP Govt.

- 6) In case a budget is not approved by a local government before the commencement of the financial year to which it relates, the local government shall spend money under various objects, on pro-rata basis in accordance with the budgetary provisions of the preceding financial year for a period not exceeding thirty days.
- 7) A local government shall not spend funds or make commitments for any expenditure under any demand for grant or appropriation in excess of eight percent of the amount budgeted in the preceding year within the period of thirty days mentioned in subsection (6).
- 8) In case, a local government fails to pass the budget within the extended period as specified in subsection (6), the Secretary shall prepare, approve and authenticate the budget of the local government for full year.
- 9) After approval of the budget by a local government, the Head of local government shall authenticate under his signature a schedule specifying:
 - (a) grants made or deemed to have been made by the local government; and
 - (b) sums required to meet the expenditure charged upon the Local Fund.
- 10) The budget authenticated under subsection (8) shall be laid before the local government but shall not be open to discussion or vote.
- 11) The authenticated budget shall be communicated to the local government functionaries, accounts officials, the Secretary and posted on the official website or a portal designated by the Department for this purpose.
- 12) At any time before the expiry of the financial year to which the budget relates, a revised budget for the year may, if necessary, be prepared and such revised budget shall be approved in the manner as that of annual budget.

Q.7. recognition of expenditure.-The expenditure shall be recognized in the following mode:

- (a) in case a payment is made by cheque, the expenditure shall be recognized and recorded in the accounts of a District Authority on the date of issuance of cheque;
- (b) in case of payment is made through transfer of amount, the expenditure shall be recognized on the date the transfer is made;
- (c) for direct payments into a District Authority employee's bank account, expenditure shall be recognized on the date the payment advice is issued by the accounts officer to the bank;
- (d) for repayment of loans and other direct payments by the bank, the expenditure shall be recognized on the date advised by the bank to the accounts officer;
- (e) in case of payments made from imprest amount, the expenditure shall be recognized on submission of claim vouchers; and
- (f) the financial year to charge a payment is determined by the date on which a cheque or payment advice is issued.
