



**Pakistan Institute  
of Public Finance Accountants**

# **Model Solutions**

**Treasury & Subsidiary  
Treasury Rules**

**(Theory & Application)**

**Treasury**

**Winter Exam-2025**

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### Solutions – Treasury & Subsidiary Treasury Rules (Theory)

#### Q.1. ADVICE OF REMITTANCES DRAWN

**751)** An advice of all drawings effected on a particular treasury or the Bank on any particular date shall be sent to the treasury or the office drawn upon in the special form prescribed by the State Bank. The advice must be completed, signed and dispatched by the Treasury Officer before the treasury closes on the day of issue. Advices of drafts drawn on the Bank shall be sent direct to the Manager or Agent, as the case may be, of the Bank.

**752)** If alteration be made in a draft prior to issue, the corrections shall be noted in the advice, and each alteration, both in draft and advice, shall be authenticated by the drawer's full signature, in order to prevent hesitation on the part of the drawee. If the drawer should enter the amount so carelessly as to enable a stranger to alter it, and fraudulently to obtain payment of a larger amount, the drawer, and not the drawee, must bear the loss. But the Treasury Officer drawn on must remember and apply the numerous defensive checks provided for him in these rules.

#### Q.2. CLOSING FOR THE DAY

**65)** Subject to the directions contained in this behalf in the Account Code, Vol. II, the process of closing accounts for the day shall be as follows: -

**a)** The daily total of each subsidiary register will be entered in the appropriate part of the cash book, which will then be totaled, and the balance memorandum at the top of the Accountant's balance sheet will be drawn up strictly in accordance with the directions contained in the Account Code, Vol. II. To the account balance thus brought out, the additions and deductions indicated at foot of the cash book form will be applied so as to bring out the cash balance at the district treasury

**b)** Meantime, the Treasurer will also sum both sides of his cash book and draw up his balance memorandum in the form of the Treasurer's daily balance sheet (Form T. R. 3).

**c)** If the results shown in the two balance sheets agree, the Treasury Officer should sign the two cash books and the two balance sheets. He should first satisfy himself of the correctness and good order of all these documents and should give special attention to the reconciliation of the accounts balance of the district with that actually in the headquarters treasury; the latter excludes the balance in sub-treasuries or under remittance within the district, which the former includes.

**d)** The following is memorandum of some of the more important parts of the verification. The Treasury Officer should'-

- i.** compare each entry of payment in a register with the payment order, ticking off each voucher as it is passed. This will not be necessary if the Treasury Officer adopts the alternative plan of having the account entry presented to him for initials at the same time that he signs the order of payment;
- ii.** examine at least two of the totaling on each side, marking the totals as Exd.
- iii.** see that the totaling are correctly carried from the register to cash book, initialing the totals as he thus compares them;

**Note.** -This must be done, in the case of receipt registers, even when the total for the day is blank; but it is not necessary to initial blank payment registers. If the number of blank receipt registers is great, the following plan may be adopted. Such registers as are only rarely required for entry may be bound in a single volume and kept under the Treasury Officer's own lock.



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When the volume is required for entry he should give out the register for the purpose and he should receive it back at the time of signing the daily accounts, carefully seeing in doing so that all new entries in it are correctly carried to the cash book and initialing them accordingly. It is obviously necessary to guard against fraud or mistake of omitting to bring all entries from these registers upon the cash book; and this precaution is not complete if the Treasury Officer examines only those registers from which an entry is made upon the cash book.

iv. verify the totaling of the cash book or get it done by some principal subordinate officer, other than the Accountant, who should initial it as correct;

v. see twice every week that all vouchers are properly arranged.

e) Before signing the Treasurer's daily balance sheet, the Treasury Officer should roughly verify the balance in the sole charge of the Treasurer, as shown in that sheet, and satisfy himself on the following points: -

- i. that no uncurrent coins are left in charge of the Treasurer;
- ii. that no more small pure nickel, cupro-nickel, nickel brass, bronze and aluminium coins are so left than is actually required for current use
- iii. that the whole balance in sole charge of the treasurer never exceeds his current requirements.

f) The Treasury Officer should always be careful to sign the Treasurer's balance sheet in the evening of the day itself to which it refers, but the signature and comparison of the Accountant's books need not be made till the following morning unless the office is to be closed for two or more days. The Accountant's balance sheet must not be signed, until it has been carefully agreed with the Treasurer's

**Note.-Ordinarily, the Treasurer's balance sheet should be compared and agreed with that of the Accountant before closing the treasury for the day.**

g) The foregoing provisions of this rule apply also to Bank treasuries, subject to the modification that in the absence of the Treasurer's balance sheet, the correctness of the daily accounts should be tested by a comparison of the totals of receipts and payments in the Accountant's cash book with the corresponding totals in the daily accounts received from the Bank.

#### Q.3. Rule 773- Fed Treasury Rules VO-I (LAPSE OF DRAFTS 773)

1. Drafts which are not paid before the end of the third account year after that in which they are issued shall be treated as lapsed and shall be so marked in the advice. Should any one apply for payment of a lapsed draft, he should be directed to address the Currency Officer for orders.

2. Government drafts which are not paid before the end of the third account year after that in which they are issued shall be treated as cancelled and shall be so marked in the advice. Should any one apply for payment of a draft so cancelled, he should be directed to approach the remitter for issuance of a new draft which may be issued to him on the production of a non-payment certificate from the drawee Office.



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#### Q.4. CHAPTER I Page-236 of Fed Treasury Rules Vol-I NON-BANK TREASURIES

5) At places where the cash business of the treasury is not conducted by the Bank, the Treasury Officer is responsible for keeping sufficient funds at the district treasury and sub-treasury to meet all Government disbursements and at the same time for maintaining the balances as low as possible, in order that money may not be locked up unnecessarily. The Currency Officer will watch and ask for an explanation, if such balances rise above the normal figures prescribed by the Government under paragraph 7 below and will arrange for the transfer of funds where necessary, but he will not be held responsible if an excess is not immediately brought to notice and rectified.

6) The Treasury Officer is responsible for watching the balances at sub-treasuries the cash business of which is not conducted by the Bank, and should arrange for transfers of funds from and to such sub-treasuries, either through Currency or by remittance of notes and coin, in accordance with the procedure prescribed in Part XI.

#### Q.5. SECTION VII WITHDRAWALS OF PUBLIC MONEYS.

12) In this section "withdrawal", with its cognate expressions, refers to the withdrawal of funds from, the Federal Consolidated Fund or the Public Account of the Federation, as the case may be, for disbursements of or on behalf of the Government other than the disbursements in the United Kingdom.

13) Save as expressly provided by or under these rules/or unless the Government after consultation with the Auditor General otherwise direct in any case, moneys may not be withdrawn from the Federal Consolidated Fund or the Public Account of the Federation, as the case may be, without the written permission of the Treasury Officer or of an officer of the Pakistan Audit Department authorized in this behalf by an Accountant General.

14) An Accountant General may, within the limit of his own jurisdiction, permit withdrawal for any purpose. Unless expressly authorized by these rules or by any special orders of the Government, an Accountant General may not permit withdrawal at a place outside the limits of his own jurisdiction.

15)

1. Subject as hereinafter provided in this section, a Treasury Officer may permit withdrawal for all or any of the following purposes, namely: -

- i. To pay sums due from the Government to the drawing officer;
- ii. To provide the drawing officer with funds to meet claims likely to be presented against the Government in the immediate future by:
  - a) other Government servants, " or
  - b) private parties;
- iii. To enable the drawing officer to supply funds to another Government officer from which to meet similar claims;
- iv. To pay direct from the treasury or from the Bank sums due by the Government to a private party;



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- v. In the case of a Government officer or authority empowered to make investments of moneys, standing in the Public Account, for the purpose of such investments.
16. A Treasury Officer has no general authority to make payments on demands presented at the treasury, his authority being strictly limited to the making of payments authorized by or under these rules.
- 17 A Treasury Officer shall not honour a claim which he considers to be disputable. He shall require the claimant to refer it to the Accountant General.
- 18 Except as otherwise provided in Part V, a payment shall only be made in the district in which the claim arises.
19. The Treasury Officer shall be responsible to the Accountant General for acceptance of the validity of a claim against which he has permitted withdrawal, and for evidence that the payee has actually received the sum withdrawn.
20. The Treasury Officer shall obtain sufficient information as to the nature of every payment he is making and shall not accept a claim which does not formally present that information unless there are valid reasons which he shall record in writing, for omitting to require it.
21. A Treasury Officer may correct an arithmetical inaccuracy or an obvious mistake in any bill presented to him for payment, but shall intimate to the drawing officer any correction which he makes.
22. A Collector may, in circumstances of urgency, by an order in writing authorize and require a Treasury Officer to make a payment, not being a payment of pension, without complying with the provisions of these rules. In any such case of payment the Collector shall at once forward a copy of his order and a statement of the circumstances requiring it, and the Treasury Officer shall at once report the payment to the Accountant General

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### Solutions – Treasury & Subsidiary Treasury Rules (Application)

#### Q.1. AUDIT OBJECTIONS AND RECOVERIES

213) Every Government servant must attend promptly to all objections and orders communicated to him by the Accountant General

214) When an Accountant General disallows a payment as unauthorized, the disbursing officer/or Treasury Officer is bound not only to recover the amount disallowed without listening to any objection or protest but to refuse to pay it in future till the Accountant General authorizes the payment to be resumed; that no warning slip has been received by the Government servant against whom the retrenchment has been ordered or that being received, it has been answered, are facts with which the disbursing officer shall have no concern.

**Note. Representations and protests against retrenchments ordered by the Accountant General may not ordinarily be considered by the administrative authorities if submitted later than three months after the date of receipt of the intimation by the aggrieved Retired Government servant. This provision does not remove from the disbursing officer/ Treasury, the duty of enforcing immediately the recovery of a retrenchment order under this rule.**

Recoveries may not ordinarily be made at a rate exceeding one third of pay unless the Government servant affected has in receiving or drawing the excess, acted contrary to orders or without due justification.

216) A register shall be maintained at the treasury and every other disbursing office for recording all retrenchments ordered by the Accountant General. Separate columns shall be provided to show the name and office of the person from whom the recovery is to be effected, the nature and amount of the over-payment and the method by which the over-payment has been adjusted.

#### Q.2. Following documents are required to be attached with the TA/DA bill

1. Notification of Transfer
2. Charge relinquishment Report
3. Charge Assumption Report
4. Receipt of Truck for shifting of personal effects
5. Signature of Controlling Officer on TA bill
6. Availability of budget under TA heads

#### Q.3. Ref: Section III.

##### **Authority for Payment Pension Payment Order Rule – 368 Treasury Rules Vol-I**

Payment of pensions can be made only upon Pension Payment Orders issued by an Accountant General.

2. In issuing a Pension Payment Order, the Accountant General will

i. attach to the Order a specimen signature of the pensioner if he can sign his name and, except in the case of pensioners specified in sub-rule (2) of rule 367, his thumb and finger impressions of the left hand, the specimen signature and thumb and finger impressions being duly attested by the head of the office concerned or by some other responsible person; and paste a certified copy of the Pensioner's photograph in passport size on the Disburser's portion as well as on the Pensioner's half of the Pension Payment Order.



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### Solutions – Treasury & Subsidiary Treasury Rules (Application)

This requirement will not apply to European or purdah-nashin ladies, persons who are in receipt of family pensions granted under the Wound and Extraordinary Pension Rules or the rules made under Government of Pakistan, Ministry of Finance No. (4)F. 12(2) RI/53, dated the 24th March, 1954, as amended, persons who retired from gazetted posts, persons who hold Government titles or to any other person specially exempted by the Government from the operation of this rule 1 [unless any of such persons desires otherwise and furnishes copies of his photograph to the Accountant General to be posted on both the portions of the Pension Payment Order],

1. On receipt of a Pension Payment Order at an office of disbursement, the Pensioner's portion shall be made over to the pensioner after proper identification when he appears to receive his pension for the first time. The specimen signature, or the thumb impression, as the case may be, of the pensioner shall be taken, where necessary, in the space provided for the purpose in the Disburser's portion of the Pension Payment Order.

2. The Disburser's portions of the Pension Payment Orders shall be pasted in serial order in separate files, one for each class of pensions, such as Service, Political, Colonial Governments, etc. These files must be kept in the personal custody of the disbursing officer in such a manner that pensioners shall not have access thereto

**NOTE. - Pension Payment Orders should ordinarily be filed in one series for the whole district or circle of disbursement, but the Accountant General may allow filing by sub-treasury or any other series as may be found convenient.**

When a pensioner is specially exempted from personal appearance, the fact shall be noted by the disbursing officer on his Pension Payment Order, and in all cases of non-appearance of a pensioner, a note shall be made on the Pension Payment Order of the form in which proof was given, within each year, of the pensioner's continued existence, e. g., "appeared in person on-----"; and the initials of the disbursing officer or of the verifying the fact shall be put against the note

**333)** After the commuted value of a portion of a pension is paid, both portions of the Pension Payment Order must be returned without delay to the Accountant General, who will issue a fresh Pension Payment Order authorizing payment of the reduced pension in future.

**334)** If the Pension Payment Order received from an Accountant General's office relates to a pensioner in whose favour an anticipatory Pension Payment Order has been issued, special care shall be taken to return both halves of the anticipatory Payment Order, together with the voucher for the first payment of the final pension, to the Accountant General's office in a registered cover in advance of the treasury schedule.

**336)** Each disbursing officer shall keep a register in Form T. R. 36 of the Pension Payment Orders issued on his office, which will serve as an index to the files of orders referred to in sub-rule (2) of rule 329. After seeing that a new order is correctly entered in this register, the disbursing officer shall put his initials in the column of "Name of pensioner" and rule a red ink line across the page below the entry. The column of remarks will be blank as long as the order of payment is in force; but when both portions of the order are returned on account of death of pensioner or application for transfer or otherwise, which causes strike it permanently off the list of pensioners under his payment, the date and cause of return shall be entered under the disbursing officer's initials.



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### Solutions – Treasury & Subsidiary Treasury Rules (Application)

Q.4. Ref: Appendix-7 Rule 419- (5) Fed Treasury Rules- Vol-II

#### CASH BOOK AND ACCOUNT

5) A Cash Book should be maintained in Form T. R. 4A, and an abstract of the same in such form as may be prescribed by the Accounts Officer (duly signed by the Secretary) should be submitted to the Accounts Officer each month, so as to reach him not later than the 10th of the following month. The abstract should show (on the receipts side) the opening cash balance and (on the disbursement side) the closing cash balance of the month, the latter being verified by the Secretary by actual count. If he is unable to do this, he should make appropriate modification in the certificate regarding actual count. The following certificates should be recorded by the Secretary on the abstract:

1. The closing balance has been verified by actual count and found correct.

#### RECEIPTS

6) Receipts of Government money should not be acknowledged by letter. Counterfoil machine numbered receipt books (Form T. R. 5) should be used and all receipts should be signed by the officer in charge of the accounts and by a clerk. This officer should attest the relevant entry in cash book when he signs the receipt.

#### VERIFICATION OF CASH

7) The actual cash balance should be verified during the month by the officer in charge of the accounts and he should then record a dated certificate cash in hand verified and found to be Rupees (in words)------(Rs.....).

Q.5. Amount in PKR

Pay Due on 15.5.2023	112,260/-	Pay drawn on 15.5.2023 106,630	Difference p/month 5,630	Diff. from 15.6.23 to 30.11.23 36,867/-
Pay due on 1.12.2- 23	116,520/-	Pay drawn on 1.12.2023= 110,050	6,470	Diff. from 1.12.23 to 30.11.24 = 77,640
Pay due on 1.12.2- 24	120,780/-	113,470	7,310	Diff. from 1.12.24 to 14.05.25 = 39,851
			Total difference	154,358

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