MODULE 3 | BUDGETS, ACCOUNTS AND PAYMENTS

Checking Bills and Making Payments

12

LECTURE

Practical hospital governance in Punjab, Pakistan

Pay the correct amount to the correct person.
Keep evidence for every step.

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SELF-STUDY PDF

Turn a valid claim into a correct, traceable payment

For the Medical Superintendent (MS): understand what must be checked before a bill is approved and what must happen after payment.

- Confirm authority, delivery and entitlement.
- Check the amount, deductions and payee.
- Handle incomplete, duplicate and overdue claims.
- Close the file with payment and tax evidence.

OFFICIAL SOURCE

A principle tied to a named law, rule or official manual.

WORKING METHOD

A practical control or teaching format to adapt to the authorised system.

TEACHING CASE

An invented hospital example. Amounts are for learning, not spending authority.

Study output

A complete payment file and an exception list with named actions.

Module 3 | Presentation 5 of 5. Allow 45-60 minutes with exercises. All explanations are on the pages; check the cited sources before live use.

Follow the claim from obligation to final record

A supplier invoice starts a check. It does not, by itself, prove that payment is due.

1	**Establish the obligation**	Find the lawful sanction, order, contract or employee entitlement.
2	**Verify the claim**	Confirm the goods, service or other event that makes the amount payable.
3	**Approve and pay**	Use the authorised checking, approval and payment route.
4	**Complete the record**	Record the payment, deductions and remaining balance; reconcile the result.

APPM means Accounting Policies and Procedures Manual. Its cited procedures must be read within their stated scope and the current authorised system.

Sources: **F4**: secs. 1.4, 4.2

Know what each document proves

Documents answer different questions. A complete file links them to the same transaction.

Document	What it establishes	What still needs checking
Sanction / order	The approved decision and its scope.	Was it lawful, current and within the officer's powers?
Invoice / claim	The amount and items requested by the claimant.	Are they correct and properly payable?
Receipt / certificate	Evidence of delivery, work or service.	Did an authorised person verify the actual facts?
Payment voucher	The checked claim and payment authorisation record.	Was payment executed and correctly recorded?

A voucher is the document supporting a payment. Use the required form and the applicable authorised paper or digital process.

Sources: **F2**: rr. 2.20-2.21, 2.32 | **F4**: sec. 4.5.3

Identify which office checks and releases the payment

The hospital's legal and accounting arrangement determines the route. A bank account alone does not define it.

Government accounts route

- Identify the Drawing and Disbursing Officer (DDO), the Accountant General (AG) or District Accounts Officer (DAO), and their assigned duties.
- Where the APPM centralised route applies, claims pass through the prescribed approval, pre-audit and payment-authorisation stages.

Institutional payment route

- Identify the valid institutional financial rules, delegated authority, accounts checks and bank signatories.
- Check any grant restrictions and Government instructions. Use the arrangement that actually governs this fund and payment.

Pre-audit here means the prescribed check before payment. It does not replace the hospital's responsibility for the facts it certifies.

Sources: **F4**: secs. 1.4, 2.2, 4.2.6-4.2.9 | **F1**: ss. 32-33, 40

Keep the required checks independent

Receiving goods, preparing a claim, approving it and releasing money are different control functions.

The cited APPM model

- Section 4.2.6 requires the claim-approving officer to be different from the sanctioning officer and the DDO.
- Apply that requirement where this procedure governs the payment. Identify the current authorised roles and any valid special arrangement.

The practical control

- Record who ordered, received, checked, approved and paid. System access should match the assigned role.
- If the required separation is impossible, seek an authorised arrangement. Staff shortage is not, by itself, permission to bypass the rule.

An accounts check cannot verify a delivery that never happened. The receiving or certifying officer must establish the underlying facts.

Sources: **F4**: secs. 4.2.6-4.2.9, 4.5.3-4.5.4 | **F2**: rr. 2.31-2.32

Apply six checks to every payment file

Working checklist. The evidence needed will differ for goods, services, salaries and other claims.

01 Identity

Who is owed the money, and is the claim genuine?

02 Authority

What valid decision or entitlement permits payment?

03 Funds

Is the correct provision and usable funding available?

04 Performance

What was delivered, completed or otherwise became due?

05 Amount

Are the quantity, rate, period and deductions correct?

06 Payment

Are the payee details, approvals and payment route correct?

A previous approval does not eliminate the need to check the bill that is now presented.

WORKING METHOD | Illustrative material is identified in the text.

Register the claim and keep its status visible

Working claim register. A claim awaiting correction should remain traceable until it is properly resolved.

01 Reference

Unique claim number and invoice or employee reference.

02 Receipt date

Date received, service period and contractual due date.

03 Amount

Gross claim, checked amount and proposed net payment.

04 Link

Order, sanction, contract and receipt references.

05 Status

Under check, returned, approved, paid or otherwise resolved.

06 Action

Specific missing item, responsible person and review date.

Recording a claim is not accepting its validity. It prevents a pending claim from disappearing from management view.

WORKING METHOD | Illustrative material is identified in the text.

Check the approval against the actual bill

Read the sanction, contract and any authorised changes together before approving the claim.

Question	Evidence to inspect	Typical problem
Correct scope?	Item, service, location, quantity and period.	The bill covers an extra item never approved.
Correct terms?	Price, taxes, delivery, acceptance and payment terms.	The invoice uses a different rate or milestone.
Valid change?	Approved amendment or variation, where required.	Extra work was agreed informally.
Correct funding?	Fund, year, head, sanction and available funding.	The staff propose an unrelated head with a balance.

Lecture 9 explains the authority check. A supplier's demand cannot enlarge the officer's delegated power.

Sources: **F4**: secs. 4.5.4, 4.5.6 | **F1**: s. 33

Match the order, the receipt and the invoice

Working method for a routine goods bill. Separately confirm that the sanction and procurement process are valid.

1 | What was ordered?

Check the approved item, specification, quantity, unit, price and contract terms.

ORDER / CONTRACT

2 | What was accepted?

Check actual receipt, inspection, accepted quantity and stock or asset record.

RECEIPT / INSPECTION

3 | What is claimed?

Match the invoice to those records. Explain any difference before approval.

INVOICE / CLAIM

A delivery challan may show goods were dropped off. It does not necessarily prove quality acceptance or completion of every contract condition.

Sources: **F4**: secs. 4.5.3.1-4.5.4.5

Pay attention to the accepted quantity

Invented case: 100 units ordered at PKR 4,000 each. Assume partial billing is allowed and no advance was paid.

Claim submitted	Supplier bills 100 units: 100 x 4,000 = PKR 400,000.
Delivery	Only 80 units arrived; 5 of those failed the agreed acceptance check.
Accepted quantity	80 - 5 = 75 units accepted for this claim.
Checked goods value	75 x 4,000 = PKR 300,000 before any applicable tax or other adjustment.
Next action	Document the short supply and rejected units. Correct the claim and apply the contract, approval and deduction checks.

These are teaching figures. Do not certify all 100 units as received or accepted merely because the invoice says so.

TEACHING CASE | Illustrative material is identified in the text.

Verify services and works through evidence of performance

The right certificate depends on what the institution purchased and what the contract makes payable.

Services

- Match the billed period and deliverables to service records: maintenance visits, completed tests, reports or other agreed outputs.
- Record omissions or service failures and apply only the remedies actually allowed by the contract and law.

Works and progress bills

- Use the required measurements and technical certification by the responsible authorised officer.
- Separate this period's value from earlier certified work. Keep earlier unpaid certificates on the unpaid-bill register. Check variations and retention.

A general statement such as "work satisfactory" should be supported by identifiable evidence of the work or service being certified.

Sources: **F4**: secs. 4.5.3.1, 4.5.3.3; 4.9

Check payroll changes and employee claims against entitlement

An employee claim needs the rule, approved facts and calculation that establish the entitlement.

Payroll

- Match the employee to the sanctioned post, appointment, pay fixation, authorised allowances and period payable.
- Check joining, transfer, retirement, leave and other changes against the proper orders; prevent duplicate payment between offices.

Other employee claims

- Check the entitlement, competent sanction, dates, admissible items, supporting evidence and any previous advance or payment.
- For deductions or recoveries, identify the lawful basis and required process. Do not invent a payroll fine or deduction.

A Last Pay Certificate records pay information on transfer under the applicable process. Attendance evidence alone does not establish every pay entitlement.

Sources: **F4**: secs. 4.6.1, 4.6.5-4.6.6 | **F2**: r. 2.31

Adapt the evidence to the type of hospital bill

These are working examples. Add the documents required by the relevant rule, contract and payment arrangement.

Claim	Useful evidence	Question to resolve
Utilities	Consumer account, meter, period, tariff and adjustments.	Does a previous payment already cover part of this bill?
Medical supplies	Inspection, batch, quantity and stock record.	Do the accepted goods meet the agreed terms?
Equipment milestone	Delivery, installation, testing or training record as agreed.	Has this particular payment milestone been met?
Consignment item	Contract and verified use or other agreed billing event.	Did the event that makes payment due actually occur?

Include only the patient-related information needed to verify a claim and restrict access to the authorised team.

WORKING METHOD | Illustrative material is identified in the text.

Check the arithmetic and the meaning of each figure

A mathematically correct total can still be based on the wrong units, price or period.

01 Units

Pack, piece, vial, procedure, day or month: are they consistent?

02 Quantity

Use the quantity that is properly payable under the terms.

03 Rate

Use the approved rate and any lawful price change.

04 Tax treatment

Identify whether the stated price includes or excludes each tax.

05 Prior amounts

Check advances, earlier bills, credit notes and previous payment.

06 Net result

Recalculate deductions and the amount actually due to the payee.

Keep the calculation sheet. A total copied from the supplier's invoice is not an independent arithmetic check.

WORKING METHOD | Illustrative material is identified in the text.

Explain every deduction from the gross claim

Gross is the checked amount before deductions. Net is the amount payable to the claimant after lawful adjustments.

Adjustment	Plain meaning	Required basis
Statutory withholding	Tax deducted under the applicable law.	Correct tax law, rate, base, status and procedure.
Advance adjustment	An earlier advance applied against the current claim.	Verified advance balance and recovery terms.
Retention / security	Money held under the agreed lawful conditions.	Contractual basis, amount and release conditions.
Other recovery	A properly authorised reduction or recovery.	Evidence, legal or contractual basis and due process.

A deduction must have a valid basis. Amounts held for tax or security are not automatically money available for other spending.

Sources: **F4**: secs. 4.3.5, 4.5.3.1 | **F9**: ss. 159-160

Keep the three tax questions separate

FBR = Federal Board of Revenue. PRA = Punjab Revenue Authority. More than one tax question can arise from one bill.

Tax framework	Question to ask	What not to assume
Income tax withholding	Does the relevant income-tax section require deduction by this payer from this payment?	One deduction rate for all goods, services, contracts or salaries.
Federal sales tax	Do the supply and payer fall within the federal sales-tax charge and withholding provisions?	Every invoice described as tax-inclusive has been treated correctly.
Punjab sales tax on services	Is this service taxable in Punjab, and does the institution have a withholding duty?	A federal tax registration settles the provincial service-tax question.

Classify the actual transaction and jurisdiction first. Then check the current law, schedule, rules, notifications and any applicable exception.

Sources: **F9**: ss. 149, 153 | **F12**: s. 3 | **F10**: law index and verification portal

Make a short tax-verification sheet for the live bill

Working method for the finance officer. No current tax rate or filing deadline is prescribed by this teaching checklist.

01 Transaction

What goods, service, contract, salary or other payment is this?

02 Payer duty

Is this institution required to deduct under that provision?

03 Tax base

What amount does that law use for the calculation?

04 Payee status

Verify identity, registration and relevant taxpayer status.

05 Exception

Check a valid exemption or lower-rate basis, scope and dates.

06 Timing

Identify when deduction, deposit and reporting are required.

Retain the dated source and status evidence. An old rate card or a supplier's verbal claim of exemption is insufficient.

WORKING METHOD | Illustrative material is identified in the text.

Complete the tax duty after calculating the deduction

For income-tax withholding, the cited Ordinance separates deduction, deposit, evidence and statements.

1	**Apply the correct basis**	Use the applicable provision and any valid exemption or lower-rate certificate.
2	**Deposit correctly**	Pay the deducted amount through the prescribed route within the applicable time.
3	**Give the required evidence**	Provide the prescribed certificate and payment evidence; follow any authorised system-specific procedure.
4	**File and reconcile**	Submit the required statement and match payee details, gross payment, deduction and deposit.

CPR = Computerized Payment Receipt. Preserve the applicable official receipt or equivalent evidence; a deduction on a worksheet is not proof of deposit.

Sources: **F9**: ss. 159-160, 164-165

Treat advances as a separate, controlled payment

An advance pays before the normal delivery or completion point. It needs its own lawful basis and follow-up.

Before approving an advance

- Identify the permitted purpose, competent approval, contract terms and safeguards.
- Under APPM section 4.2.15, supplier advances require contractual support and a bank guarantee for the value of the advance. Check applicability and any lawful exception.

After making the advance

- Record it against the payee and agreement, with the amount, due performance and adjustment or recovery plan.
- Follow up delivery and recovery. Do not use a supplier advance merely to prevent an appropriation from lapsing.

An advance may itself trigger tax deduction; check the applicable provision when paying it. Supplier, employee and permanent advances have different rules.

Sources: **F4**: secs. 4.2.15, 4.5.3.3; 4.10 | **F2**: r. 2.10 | **F9**: s. 153

Calculate the amount to transfer to the supplier

Invented case. Assume the claim and all deductions below have been lawfully verified. These are amounts, not statutory rates.

Item	PKR	Effect on this payment
Checked gross claim	1,000,000	Starting amount.
Advance adjustment	(200,000)	Earlier advance now applied to this claim.
Contractual retention	(100,000)	Held under the assumed valid terms.
Statutory deductions	(70,000)	Total of separately verified tax deductions.
Net to supplier	630,000	1,000,000 - 200,000 - 100,000 - 70,000.

This is a payment worksheet, not a complete set of accounting entries. Use the applicable accounts treatment and avoid recording the advance twice.

TEACHING CASE | Illustrative material is identified in the text.

Account for every part of the gross amount

Continue the invented example. A lower bank transfer to the supplier does not make the deductions disappear.

Supplier	PKR 630,000 is the proposed net payment to the supplier.
Tax duty	PKR 70,000 must follow the separately verified statutory deposit and reporting requirements.
Retention	PKR 100,000 remains tracked under the agreed holding and release terms.
Advance	PKR 200,000 reduces the earlier advance balance; it is not a second payment of that amount.
Cross-check	630,000 + 70,000 + 100,000 + 200,000 = PKR 1,000,000.

A gross-to-net reconciliation explains the claim. It does not, on its own, establish the budget charge or the amount of new cash required.

TEACHING CASE | Illustrative material is identified in the text.

Verify the payee and bank details independently

Working fraud-prevention control, particularly when payment instructions have changed.

1	**Match the identity**	Check the legal payee against the contract, invoice and approved supplier or employee record.
2	**Check a change**	Verify a requested account change through a known, independent contact and the approved process.
3	**Record approval**	Keep the change evidence and authorised amendment to the payee record.
4	**Review before release**	Match the final payment instruction to the checked amount, payee and approved account.

Do not treat a new email address, forwarded message or changed invoice footer as sufficient authority to redirect public money.

WORKING METHOD | Illustrative material is identified in the text.

Prevent duplicate claims and duplicate payments

A second copy of a document must not become a second payment for the same obligation.

Before approval

- Match supplier, invoice number, amount, service period, order and earlier payment references.
- For a duplicate voucher, record that status, its original reference and why it was issued, following the applicable procedure.

Before any replacement

- Confirm the status of the original payment. A lost cheque or failed transfer report requires verification.
- Use the authorised stop, cancellation, return and reissue procedure. Preserve links between the original and replacement records.

APPM section 4.2.12 requires written bank acknowledgement of stopping an original cheque before issuing its replacement under that procedure.

Sources: **F4**: secs. 4.2.12, 4.5.3.4, 4.5.6.3 | **F2**: rr. 2.17-2.18

Resolve a defective claim with specific written reasons

Do not sign a false certificate to make a difficult file move. Do not leave the claimant without a clear explanation.

When evidence is missing

- List the exact defect: quantity, authority, price, signature, tax basis or missing document.
- Return or hold the claim through the prescribed process. Give a responsible person and an internal follow-up date.

When part is disputed

- Separate the facts and amounts that are agreed from those in dispute.
- Check whether the contract and rules allow an undisputed portion to be processed separately. Preserve the remaining claim and its resolution route.

APPM section 4.5.4 requires written reasons when a claim is refused and allows resubmission after correction.

Sources: **F4**: secs. 4.5.4.6-4.5.4.7 | **F2**: r. 2.32

Process valid dues promptly and track overdue bills

Use the actual payment terms and current rules to establish the due date and the consequences of delay.

A complete and payable claim

- Complete the required checks and approvals without avoidable delay. Keep its payment stage visible.
- Punjab Financial Rules (PFR) rule 2.10(b)(3) requires prompt attention to amounts indisputably payable.

A blocked claim

- Identify whether the cause is a disputed amount, missing evidence, authority, funds or a payment-system problem.
- Escalate the specific obstacle with its amount, due date, service effect and proposed lawful action. Record outstanding liabilities.

The cited 2025 Punjab Procurement Rules compilation marks former rule 62 omitted. Do not copy its old payment deadline into current guidance.

Sources: **F2**: r. 2.10(b)(3) | **F8**: omitted r. 62 and amendment footnote

Check the final payment instruction before release

Working check at the last approval point, in addition to the applicable accounts-office or institutional procedure.

01 Payee

The recipient and approved account are correct.

02 Amount

The net amount agrees with the checked voucher.

03 Authority

Approvals and required signatures are valid.

04 Funds

The correct source is usable for this payment.

05 Uniqueness

No earlier payment or live instruction duplicates it.

06 Record

The claim, sanction and payment references are linked.

Use only authorised signatories and system access. Keep preparation, checking and release duties separated as required.

WORKING METHOD | Illustrative material is identified in the text.

Distinguish approval, issue and bank settlement

Each stage has a different meaning. A screen showing "approved" may not show a completed transfer.

Stage	Plain meaning	Evidence to retain
Approved	The claim has passed the relevant approval stage.	Approved voucher and conditions.
Issued / submitted	A cheque or authorised payment instruction has been issued.	Payment reference, date and amount.
Settled / cleared	The bank has executed or cleared the payment.	Bank confirmation or statement match.
Failed / returned	The instruction did not complete or money was returned.	Failure or return evidence and authorised correction.

Use the applicable recognition rule: APPM section 4.3.2 distinguishes cheque issue and specified payment-advice dates from later bank clearance.

Sources: **F4**: secs. 4.3.2, 4.4.6; ch. 6

Respond promptly to an incorrect payment

Working response to a wrong recipient, duplicate, wrong amount or other detected error.

1	**Establish the status**	Identify the transaction, amount, bank status and what can still be stopped or corrected.
2	**Notify through the proper route**	Inform the authorised finance and administrative officers; use the bank correction process where applicable.
3	**Preserve the evidence**	Keep the original records and chronology. Use authorised correcting entries, not deletion or backdating.
4	**Resolve and learn**	Track recovery or other lawful resolution, required reporting and the control change needed to prevent recurrence.

Record the error even if money is later recovered. Apply the actual loss-reporting and responsibility process to the facts.

Sources: **F2**: rr. 2.33-2.34 | **F4**: ch. 8; sec. 16.3

Close the file with evidence, not just a paid stamp

Working payment-file index. Keep records under the applicable retention rules and any audit, inquiry or litigation hold.

01 Authority

Sanction, contract, order and approved changes.

02 Performance

Receipt, inspection, stock or service evidence.

03 Calculation

Checked bill, adjustments and gross-to-net worksheet.

04 Payment

Approved voucher and bank or treasury reference.

05 Deductions

Deposit, certificate and statement evidence where required.

06 Balances

Any advance, retention, unpaid amount or exception still open.

Payment may complete this bill while a retention amount, warranty obligation or final claim remains open.

WORKING METHOD | Illustrative material is identified in the text.

Three payment questions

Write your answer and the reason before turning to the next page.

01 | Accepted goods

A bill claims 100 units. Only 80 arrived and 5 failed acceptance. Partial billing is permitted and no advance was paid.

How many units support this claim before other checks?

02 | Deduction evidence

A tax amount appears on the payment worksheet, but there is no evidence that it was deposited or reported.

Is the tax duty complete?

03 | Changed bank account

A supplier sends an urgent email requesting payment to a new bank account. The bill is otherwise ready.

What check is needed before redirecting payment?

Give the practical next step as well as the answer. Explain which evidence supports the decision.

TEACHING CASE | Illustrative material is identified in the text.

Answers and reasons

Use the evidence, the calculation and the actual source of authority.

01 | 75 accepted units.

80 - 5 = 75. Correct and document the claim, then apply the agreed terms, approval and deduction checks. Do not certify unreceived or rejected units as accepted.

02 | No. A recorded deduction is only one part of the duty.

Verify the required deposit, official payment evidence, certificate and statement under the applicable tax law and procedure.

03 | Independently verify and authorise the account change.

Use a known contact and the approved payee-change process. Keep the verification record and match the final instruction to the approved details.

The objective is a correct payment with a complete explanation of the authority, entitlement, amount and recipient.

TEACHING CASE | Illustrative material is identified in the text.

Review one payment file from start to finish

Use a non-confidential real case or the invented examples in this lecture.

1 | Evidence map

Link the sanction, contract or entitlement, receipt and bill.

2 | Payment sheet

Check quantity, price, deductions, net amount and payee.

3 | Closure check

Confirm payment evidence and list all remaining tax, advance or retention actions.

Review question: could another officer establish what was paid, why it was due and what remains outstanding?

Module 3 is complete: budget, authority, spending control, accounts and payment. Apply all five checks to one hospital transaction.

WORKING METHOD | Illustrative material is identified in the text.

Sources and continued use | 1

Select a source title or its official-source link to open the document.

F1

Punjab Public Financial Management Act 2022

Act XXXVII of 2022. Cited sections cover budgeting, re-appropriation, receipts, payments and controls. Use the Act with later amendments and current Finance Department instructions.

Government of Punjab | Punjab Laws | **Official source**

F2

Punjab Financial Rules, Volume I

Officially hosted compilation. Relevant rule numbers appear on the slides. Older amounts, forms and office descriptions must be checked against current amendments and applicable orders.

Punjab Finance Department | Copy hosted by Excise Department | **Official source**

F4

Accounting Policies and Procedures Manual (APPM)

Government of Pakistan manual, issued 13 February 1999; official academy copy. Apply its stated scope, subsequent changes and the authorised provincial or institutional accounting system.

Auditor-General of Pakistan | Pakistan Audit and Accounts Academy | **Official source** | **CGA manuals**

Educational material by Dr Qurban Hussain Khan. Source editions are stated; verify later amendments and applicable institutional orders before live use.

Sources and continued use | 2

Select a source title or its official-source link to open the document.

F8

Punjab Procurement Rules 2014

Official compilation amended through 30 April 2025. The former rule 62 on payments is marked omitted. Use current rules and the actual contract; no generic payment deadline is assumed.

Punjab Procurement Regulatory Authority | **Official source** | **Notifications**

F9

Income Tax Ordinance 2001

FBR compilation amended through 30 June 2026. Sections 149, 153, 159, 160, 164 and 165 cover relevant withholding controls. Apply current rules, schedules, status checks and exceptions.

Federal Board of Revenue | Government of Pakistan | **Official source** | **Rate-card index**

F10

Punjab Revenue Authority: laws and verification services

Use the official law index to check the current Act, rules and notifications. The portal provides taxpayer-status and payment-verification services. No specific provincial tax rate is prescribed here.

Punjab Revenue Authority | Government of Punjab | **Official source** | **Verification portal**

Educational material by Dr Qurban Hussain Khan. Source editions are stated; verify later amendments and applicable institutional orders before live use.

Sources and continued use | 3

Select a source title or its official-source link to open the document.

F12

Sales Tax Act 1990

FBR compilation amended through 30 June 2026. Section 3 addresses the federal sales-tax scope and withholding framework. Check the applicable schedules, rules and notifications.

Federal Board of Revenue | Government of Pakistan | **Official source**

Educational material by Dr Qurban Hussain Khan. Source editions are stated; verify later amendments and applicable institutional orders before live use.