



THE KHYBER PAKHTUNKHWA

TEHSIL MUNICIPAL ADMINISTRATION BUDGET RULES 2016

Government of Khyber Pakhtunkhwa
Local Government Elections and Rural Development
Department

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**GOVERNMENT OF THE KHYBER PAKHTUNKHWA
LOCAL GOVERNMENT, ELECTIONS AND
RURAL DEVELOPMENT DEPARTMENT**



NOTIFICATION

Peshawar, dated the January 13, 2016

No. SO(Dir)Tehsil (Budget)Rules/LGE&RDD/2016. In exercise of the powers conferred by section 112 (1) of the Khyber Pakhtunkhwa Local Government Act, 2013 (Khyber Pakhtunkhwa Act No. XXVIII of 2013) the Government of Khyber Pakhtunkhwa is pleased to make the following Rules, namely;

“TEHSIL MUNICIPAL ADMINISTRATION (BUDGET) RULES, 2016”

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PART I PREAMBLE

1) Short title, applicability and commencement-

- 1) These Rules may be called the Tehsil Municipal Administration (Budget) Rules, 2016.
- 2) These shall apply to:
 - a) Tehsil Municipal Administration for a Tehsil.
 - b) Town Municipal Administration for a Town in city district government, and
- 3) They shall come into force at once.

2) Definitions-

- 1) In these Rules, unless there is anything repugnant in the subject or context-
 - a) “**Act**” means the Khyber Pakhtunkhwa Local Government Act, 2013;
 - b) “**Actuals**” mean the actual figures of receipts realized and or expenditure incurred in a financial year as recorded by the Tehsil Officer Finance;
 - c) “**Administrative approval**” means the concurrence and formal acceptance by the competent authority of a proposal to incur expenditure subject to availability of funds for the said proposal in a financial year;
 - d) “**Annual Budget Statement**” means a statement of estimated receipts and expenditure of the Tehsil Municipal Administration caused to be laid before the Tehsil Council in respect of every financial year, showing separately;
 - a) the sums required to meet expenditure described by the Act as expenditure charged upon the Tehsil Fund; and
 - b) the sums required to meet other expenditure proposed to be made from the Tehsil Fund; and
 - c) distinguishes expenditure on revenue account from other expenditure;
 - e) “**Annual Development Programme**” means the Annual Development Plan submitted along with the Annual Budget Statement, which includes the details of capital and revenue expenditure proposed for the various developmental schemes in the budget for a financial year;
 - f) “**Appropriation**” means allocation of funds to an office on the basis of the Authenticated Schedule of Authorized Expenditure;
 - g) “**Budget**” means a statement of the estimated receipts and expenditure of the Tehsil Municipal Administration for a financial year;
 - h) “**Budget Calendar**” means the calendar given in the Second Schedule;
 - i) “**Budget Documents**” mean the documents specified in Part IX of these Rules;
 - j) “**Budget Estimate**” for a financial year, means in relation to expenditure, the expenditure proposed for that year, and in relation to receipts, the receipts expected to be realized during that year;

- k) **“Budget Year” or “Financial Year”** means the year commencing on the 1st day of July of a calendar year and ending on 30th June of the following calendar year for which the Annual Budget Statement is proposed;
- l) **“Capital expenditure”** means the expenditure incurred with the objective of either increasing concrete assets of a material and permanent character, or reducing recurring liabilities, and of the receipts of capital nature intended to be applied as set-off to capital expenditure;
- m) **“Capital receipts”** mean receipts from sources other than the general revenues and include-
- a) recoveries of investment (either from charging or sale proceeds);
 - b) recoveries of loans and advances; and
 - c) public debt
- n) **“Charged expenditure”** means such items of expenditure as are enumerated in the Act, and are not subject to vote of the Tehsil Council;
- o) **“Competent Authority”** means any authority to which the relevant powers under any set of rules may be delegated by the Government;
- p) **“Current Budget”** means the sum of approved estimates of the current expenditure for a financial year in the Annual Budget Statement;
- q) **“Current expenditure”** means expenditure met from the approved estimates of the current budget in the Annual Budget Statement;
- r) **“Development expenditure”** means the expenditure incurred with the objective of:-
- a) creating material assets;
 - b) keeping intact or enlarge and improve the physical resources of the tehsil;
 - c) improving the knowledge, skill and productivity of the people; and
 - d) encouraging efficiency in the use of available resources.
- s) **“Development Budget”** means the sum of approved estimates of development expenditure for a financial year in the Annual Budget Statement;
- t) **“Drawing and Disbursing Officer”** means the officer designated by the Head of the Office to prepare estimates of expenditure and actually incur expenditure in respect of the office to which he is the Drawing and Disbursing Officer;
- u) **“Form”** means a form prescribed under these Rules;
- v) **“Function”** means the accounting classification used in the Chart of Accounts issued by the Auditor General of Pakistan, which provides information on particular economic activities;
- w) **“Outcome”** means the result or impact on a target population of a particular service or output being delivered;
- x) **“Output”** means a delivered service or product;
- y) **“Object”** means the accounting classification used in the Chart of Accounts issued by the Auditor General of Pakistan, which classifies the nature of expenditure e.g. salaries, travel, transport etc.;
- z) **“Part”** means a part of these Rules;

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- aa) **"Receipt"** means the actual cash collected by the Tehsil Municipal Administration;
- bb) **"Registration Authority"** means the Tehsil Officer (Registration), who is declared as such by a Tehsil Municipal Officer;
- cc) **"Revenue receipts"** mean the receipts accruing from tax and non-tax revenues;
- dd) **"Revised estimates"** mean the estimate of the probable receipts or expenditure, for a financial year, framed in the course of that year, with reference to the transactions already recorded;
- ee) **"Schedule"** means a schedule to these Rules;
- ff) **"Schedule of Authorized Expenditure"** means the schedule prepared, after the approval of the Annual Budget Statement by the Tehsil Council in respect of a financial year and authenticated by the Nazim Tehsil Municipal Administration;
- gg) **"Section"** means a section of the Khyber Pakhtunkhwa Local Government Act, 2013;
- hh) **"Tehsil Accounts Officer"** means the head of the Tehsil Finance Office in a Tehsil Town entrusted with the maintenance of accounts for the Tehsil Town as per section 36 (2b) of the Act;
- ii) **"Technical Sanction"** is the sanction to a properly detailed estimate of cost of a work of construction or repair; and
- jj) **"Voted expenditure"** means expenditure that is submitted to the vote of the Tehsil Council.

- 2) Terms and expressions used but not defined in these Rules shall have the same meaning as defined in the Act.
- 3) In case of any ambiguity or inconsistency arising in the interpretation or construction of the provisions of these Rules, the Government shall resolve such ambiguity or inconsistency.

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PART II

FUNCTIONS OF THE OFFICERS RELATING TO BUDGET

3) Tehsil Municipal Officer

- 1) Tehsil Municipal Officer (TMO) shall be the Principal Accounting Officer of the Tehsil Municipal Administration (TMA) and shall be responsible to Tehsil Town Accounts Committee and Public Accounts Committee of the Provincial Government.
- 2) For the purpose of budget allocation and execution, TMO shall be the Drawing and Disbursement Officer (DDO) for respective Tehsil Town with complete responsibility of budget execution.
- 3) Monitoring of the budget execution through regular reviews of expenditure and revenue ensuring that funds are spent or realized as approved by the Tehsil Council;
- 4) Provide financial information and budgetary performance reports to Tehsil Council relating to TMA;
- 5) Overall quality assurance of the budget process and budget documents;
- 6) Mobilization of Tehsil or Town resources in consultation with the Provincial Government;
- 7) In the discharge of functions entrusted hereinafter in these rules, the TMO shall be guided by the following principles-
 - a) Fiscal planning, particularly annual budgeting, with a focus towards a medium term of 3 years, whilst at the same time endeavoring to improve effectiveness and efficiency in budgetary processes through greater integration of current and development budget;
 - b) Transparent, accountable and participative budget preparation ensured through pre-budget consultations and greater citizens' participation for needs based budgeting and robust system of performance measurement;
 - c) The budget proposals based on planned outcomes and outputs and not solely based on inputs;
 - d) Greater budget transparency and public access to budget information throughout the budget cycle;
 - e) Predictability on availability of funds to the sub-offices for preparation of budget proposals within the overall fiscal constraint; and
 - f) Abolition and creation of posts on the establishment of Tehsil or Town offices and examination of schedule of new expenditure with the approval of Provincial Government.
- 8) Coordination with the Provincial Government on issues in planning and development;
- 9) Donor coordination on foreign aided projects at TMA level.
- 10) As the Head of Office the TMO shall be responsible for:
 - a) All matters relating to the budget for the offices under his administrative control;
 - b) Ensuring strict financial control;

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- c) Review the 'state of each area of services', assessing overall needs, the extent and quality of service cover, identify critical service delivery gaps and other contributing issues for effective reflection in the budget proposals;
- d) Prepare Annual Business Plan, on prescribed format, identifying goal, outcomes, outputs, targets and key performance indicators consistent with the national and provincial level sectoral policies and strategies;
- e) Monitor regularly budget execution and measure sub-sector performance, in particular against stipulated outcomes and outputs;
- f) Ensuring that the total expenditure is kept within the limits of authorized appropriation;
- g) Approval of bills, claims on account of salaries, remuneration and other allowances of TMA staff in accordance with the policy of the Government.
- h) Explaining any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise;
- i) Ensuring that the internal controls are effectively applied;
- j) Guarding against waste and loss of public money;
- k) Ensuring that satisfactory arrangements exist for systematic and proper maintenance of office accounts and other ancillary record; and
- l) Ensuring that the auditors are afforded all reasonable facilities in the discharge of their functions and furnished with the fullest possible information for which they may ask.

4) Tehsil Officer (Finance) – TO (Finance)

- 1) In order to perform its functions, the Tehsil Municipal Officer (TMO) shall have Tehsil Officer (Finance) (TO Finance). The TO (Finance) of a Tehsil Municipal Administration shall be part of the Tehsil Municipal Office.
- 2) TO (Finance) shall assist the TMO in all matters relating to prudent financial management of the TMA. The TO (Finance) shall have the following functions:
 - a) Ways and means of the TMA and matters relating to Provincial Finance Commission;
 - b) Examination and advice on matters affecting, directly or indirectly, the finances of the TMA like emoluments, grants, contributions, allowances, honoraria, defalcation, embezzlement and losses;
 - c) Tax proposals in areas within the authority of the TMA, in collaboration with TO Regulation;
 - d) Forecasts on resource availability for expenditure in the medium term of 3 years for TMA;
 - e) Issue Budget Call Circular (BCC) to sub-offices after approval of the Nazim TMA, which shall include-
 - i. date-wise budget calendar;
 - ii. instructions and budget guidelines for preparing the current budget;
 - iii. forms to be used in the preparation of the current budget; and
 - iv. indicative current and development budget ceilings for 3 years.

- f) Compilation and consolidation of the budget;
- g) Prepare reports on budgetary performance;
- h) Provide financial information to the TMO for onward submission to Tehsil Council;
- i) Maintenance of financial accounting system for TMA;
- j) Timely booking of expenditure and proper recording of financial transactions.
- k) Compilation and release of regular budget execution reports;
- l) Provide such other supervision and administration as may be required from time to time in connection with or ancillary to any of the foregoing aspects of the budgetary process; and
- m) Ensure the application of Chart of Accounts as prescribed by the Auditor General of Pakistan for recording transactions.

5) Tehsil Officer (Infrastructure and Services) - TO (I&S):

- 1) The TO (I&S) shall be responsible for the overall supervision, control and coordination of the planning function of the TMA. It shall be the prime function of the TO (I&S) to maintain effective liaison and coordination around annual budget process with all key stakeholders; and to undertake the final scrutiny, consolidation and submission of Annual Development Programme to Tehsil Council. TO (I&S) shall perform the following functions:-
 - a) Preparation of medium and long term development plans for the tehsil;
 - b) Issue the Annual Development Programme (ADP) guidelines after approval of the Nazim TMA, which shall include-
 - i. date-wise calendar;
 - ii. instructions and guidelines for preparing the ADP;
 - iii. forms to be used in the preparation of the ADP; and
 - iv. indicative development budget ceilings for 3 years.
 - c) Preparation, implementation, monitoring and evaluation of ADP in coordination with sub-offices;
 - d) Overall quality assurance of the process of framing the ADP;
 - e) Collection, analysis, compilation and publication of development and socio-economic statistics of the Tehsil;
 - f) Promotion of private sector development and public private partnership;
 - g) Promotion of accelerated development based on the evidence of peoples' needs and marginalized areas with greater gender sensitivity;
 - h) Monitoring of the budget execution through regular expenditure reviews ensuring that funds are spent as approved by the Tehsil Council;
 - i) Submit reports on performance against the ADP;
 - j) Provide financial and physical information to the Tehsil Council relating to ADP of the TMA; and
 - k) Provide such other supervision and administration as may be required from time to time in connection with or ancillary to any of the foregoing aspects of the budgetary process;

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6) Tehsil Officer (Regulation) - TO (Regulation)

- 1) The functions of the TO (Regulation) shall include-
 - a) Preparing the estimates of receipts under his jurisdiction;
 - b) All matters relating to realization, and deposits of receipts;
 - c) Ensuring all sums due to the TMA are regularly and promptly assessed, realized and duly credited in the Tehsil Fund;
 - d) Coordination with the concerned higher level officials;
 - e) Keeping the TMO fully informed of the progress of collection of revenue under his control and of all important variations in such collections as compared with the budget estimates;
 - f) Ensuring observance of all relevant financial rules and regulations;
 - g) Guarding against waste and loss of public money;
 - h) Ensuring that satisfactory arrangements exist for systematic and proper maintenance of office accounts and other ancillary record of receipts;
 - i) Coordination with the TO (Finance); and
 - j) Continuous monitoring of the revenue component of TMA ensuring that revenue is realized as approved by the Tehsil Council;

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PART III

BUDGET CLASSIFICATION AND CALL CIRCULAR

7) Principles of Budgeting-

- 1) Budget is a statement of receipts and expenditure during a financial year depicting the financial plan of a TMA that how available resources are to be spent on prioritized needs over a period of time and thus reflects the TMA policies, priorities, financial strategy and operational plans in financial terms.
- 2) The guiding principles of budgeting for the TMA shall be-
 - a) The budget authorized by the Tehsil Council is valid for one financial year and cannot be carried forward to the next year;
 - b) Budget includes the estimates of all foreseeable items of receipts and expenditure, contains full information on current programs and activities and presents a correct picture of the financial position of the TMA;
 - c) All items of incomes and expenditure shall be specific to programs and activities and not lump-sum provisions;
 - d) Gross underestimation and overestimation are serious budgetary irregularities; and
 - e) There should be continuous assessment of program and financial performance to encourage progress toward achieving goals.
- 3) The Nazim TMA shall ensure that the needs of the disadvantaged groups are reflected in the priorities and gender issues are adequately addressed.

8) Budget Classification-

- 1) The budget shall be prepared in accordance with Chart of Accounts issued by the Auditor General of Pakistan;
 - a) the broader classification of revenues and receipts forming part of the Tehsil Fund shall be-
 - i. Tax Revenue;
 - ii. Non Tax Revenue; and
 - iii. Capital Receipts.
 - b) the Object Element with classification codes given in the Chart of Accounts as per the following structure-
 - i. Major Object;
 - ii. Minor Object; and
 - iii. Detailed Object.
- 2) Classification parameters for the expenditure forming part of the Tehsil Fund shall be-
 - a) the Functional Element with classification codes given in the Chart of Accounts as per the following structure-
 - i. Major Function;

- ii. Minor Function;
 - iii. Detailed Function;
 - iv. Sub-detailed Function.
- b) the Object Element with classification codes given in the Chart of Accounts as per the following structure-
 - i. Major Object;
 - ii. Minor Object; and
 - iii. Detailed Object.
- c) The Fund Element with classification codes given in the Chart of Accounts as per the following structure-
 - i. Fund i.e. Tehsil Fund or Public Account;
 - ii. Source of Fund i.e. met from Capital or Revenue;
 - iii. Sub-fund classification-
 - 1. Voted Current Expenditure;
 - 2. Voted Development Expenditure;
 - 3. Voted Capital Expenditure;
 - 4. Charged Current Expenditure;
 - 5. Charged Development Expenditure; and
 - 6. Charged Capital Expenditure.
- 3) Separate allocation for the Tehsil Council and its Secretariat shall be reflected in the Budget.
- 4) Public Account – stipulated arrangements
 - a) Every TMA shall maintain a Public Account;
 - b) Monies collected under Public Account shall not be available for annual appropriation;
 - c) The withdrawals from the Public Account shall be for the purpose for which funds were deposited;
 - d) Repayment of funds from Public Account heads must be credited to the same head;
 - e) Classification parameters for the receipts and expenditure into or out of Public Account shall be-
 - i. the Object Element with classification codes given in the Chart of Accounts as per the following structure-
 - 1. Major Object;
 - 2. Minor Object; and
 - 3. Detailed Object.
 - ii. the Major Accounts maintained under Public Account shall be-
 - 1. Trust Accounts; and
 - 2. Special Deposit Accounts.
 - iii. the broader classification of transactions under Public Account shall be-
 - 1. Assets;
 - 2. Liabilities; and
 - 3. Equity.

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9) Budget Call Circular (BCC) and ADP Guidelines

- 1) The BCC and ADP guidelines shall be issued by TO (Finance) and TO (I&S) respectively each year as per the budget calendar.
- 2) The BCC and ADP guidelines shall be finalized after consultation with the relevant stakeholders.

Explanation: The expression “stakeholders” include Tehsil Council, elected representatives, TMO, sub-offices, general public, women's organization, private sector, Non-Governmental Organizations, Community Based Organizations, and other organizations.

- 3) The priorities identified based on the evidence of peoples’ needs through greater stakeholder consultation shall be consolidated in the draft BCC and ADP guidelines by the TO (Finance) and TO (I&S).
- 4) The TO (Finance) shall develop fiscal forecasts for 3 years on fiscal space and expenditure requirements based on the identified needs and priorities and firm up the indicative budgetary ceilings for both current and development budget to form integral part of the BCC and ADP guidelines.
- 5) All sub-offices shall prepare its budget in accordance with the BCC and ADP guidelines approved by the Nazim TMA.
- 6) Each sub-office shall prepare its budget with due compliance to the indicative budgetary ceiling limits communicated by the TO (Finance) along with the BCC and ADP guidelines.
- 7) All sub-offices shall strictly adhere to the timeframe provided in BCC and ADP guidelines.

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PART IV

ESTIMATES OF RECEIPTS

10) Receipt Forms for TO (Regulation)-

- 1) The TO (Finance) shall, each year along with the BCC, supply to the TO (Regulation) Forms BDR-1 to 3 relating to receipts as provided in the First Schedule, in which the estimates of receipts for the coming financial year along with projections for the next two years shall be prepared.
- 2) Projections for the medium term shall be updated by the TO (Finance) each year on rolling basis in consultation with TO (Regulation).

11) Instructions for TO (Regulation) -

- 1) The TO (Regulation), while preparing estimates of receipts, shall be guided by the following-
 - a) Estimates of receipts are prepared diligently and accurately;
 - b) All items of receipts that can be foreseen shall be provided for in the budget estimates and the TO (Finance) shall have the right to enhance or reduce them which it thinks unjustifiable;
 - c) The estimates of receipts should not be merely an arithmetical average of preceding years' figures. The average is a guide but it should not be taken absolutely;
 - d) The calculation of fixed revenue is to be based on actual demands, including arrears, if any, and likelihood of realization during the year;
 - e) TO (Regulation) must provide holistically the estimates of receipts with which it deals;
 - f) Lump sum provision in the budget should not made or proposed except in most exceptional circumstance, which should invariably be recorded;
 - g) The reasons for adopting the figures for the budget estimates of the coming financial year are clearly explained; and
 - h) The receipts shall cover all sources including fiscal transfers from Provincial Government.

12) Review of Revenue Base

- 1) In order to ascertain and realize the revenue potential of the TMA, TO (Regulation) shall conduct a review of the revenue sources and the required information shall be prepared in Form BDR-3.
- 2) The objections and suggestions from the public and vetting by the Government shall be obtained after the Council has discussed the taxation proposals.
- 3) The timeframe to be followed for finalizing the taxation proposals is specified in the budget calendar provided in the Second Schedule.

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13) Scrutiny and Consolidation of Estimates of Receipts-

- 1) On receiving the estimates of receipts from the TO (Regulation), TO (Finance) shall finalize and consolidate the figures.
- 2) At the time of submitting receipt estimates TO Regulation shall prepare a note explaining any differences between-
 - a) the budget estimates for the current financial year along with monthly targets;
 - b) the budget estimates proposed for the next financial year.

14) Administrative Responsibility-

- 1) The TO (Regulation) shall be responsible for the correctness of all figures supplied to the TO (Finance).

15) Consolidation of Receipts-

- 1) Upon receipt by the TO (Finance) of the estimates of receipts for each revenue area under Tehsil jurisdiction, he or she shall consolidate such estimates. The estimates of receipts shall be incorporated in the budget documents and submitted for the approval of Tehsil Council.


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PART V

ESTIMATES OF CURRENT EXPENDITURE

16) Preparation of Estimates of Current Expenditure-

- 1) The estimates of Current Expenditure shall be prepared by sub-offices in accordance with the budget guidelines contained in the BCC.
- 2) The estimates of expenditure shall be provided on the Forms BDC-1 to 3 relating to Current expenditure.

17) Instructions for Sub-Offices of TMA-

- 1) The following guidelines shall be followed for purposes of determining the Estimates of Current Expenditure-
 - a) The estimates for each financial year shall provide only for such expenditure as are to be actually paid during the financial year;
 - b) Lump sum provision in the budget should not made or proposed except in most exceptional circumstances, which should invariably be recorded;
 - c) The estimates of expenditure should not be merely an arithmetical average of preceding years' figures. The average is a guide but it should not be taken absolutely;
 - d) All items of expenditure that can be foreseen shall be provided for in the budget estimates;
 - e) Provision for each expenditure shall be included under the appropriate head as per the classification structure of Chart of Accounts;
 - f) Provision should not be made in the estimates for posts decided to be left unfilled;
 - g) The measures for economy in expenditure outlined in the instructions issued from time to time, as well as other requirements applicable in general to the preparation of the estimates should be strictly followed;
 - h) The estimates for current expenditure should not be prima facie more than the occasion demands; and
 - i) The making of revised estimates should always precede estimates for next financial year.

18) Consolidation of Expenditure-

- 1) The TO (Finance) shall consolidate the estimates received for each area of service.
- 2) The estimates shall be submitted to the Tehsil Council as part of the budget documents after finalization through pre-budget hearings and prior scrutiny by TMO.

19) Scrutiny and Consolidation by TMO

- 1) TMO shall develop an Annual Business Plan according to the priorities laid out in the BCC and ADP guidelines.


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- 2) The plan referred to in sub-rule (1) shall include all technical requirements taking into account the weaknesses of the past gaps and the proposals with detailed workings including the following on Forms BSF 1 & BSF 2
- a) Areas where the community can and is likely to participate and opportunities for public private partnership;
 - b) The state of facilities and services already available;
 - c) Problems and issues relating to the implementation of the current year's budget;
 - d) Activities proposed to continue for the next year's Current budget;
 - e) New activities proposed for the next year including staffing requirements and establishment;
 - f) Status of ongoing development projects, if any; and
 - g) Proposed sectors and projects for the next year's development budget based on the technical assessment by the concerned offices.
- 3) TMO shall ensure that the overall estimates are kept within the indicative budgetary ceilings and that any request for additional bids over and above these ceilings shall be thoroughly reviewed and full justification thereto shall be provided by TO (Finance).

20) Other Statements-

- 1) The details of budget shall include-
 - a) Statement of investments if any as per Form BDO-1;
 - b) Statement of outstanding liabilities, if any, on prescribed Form.

21) Calculation of Establishment Charges-

- 1) The following forms shall be used for the calculation of establishment charges-
 - a) Form BDO-2 shall be used for calculating the salaries of the officials; and
 - b) Form BDO-3 shall be used for calculating the allowances of the officials.

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PART VI

STATEMENT OF NEW EXPENDITURE (CURRENT BUDGET)

22) New Expenditure-

- 1) Expenditure on new activities shall include the recurring costs of the development projects to be completed in the next financial year and expenditure relating to new current activities.
- 2) The Statement of New Expenditure shall be subject to prior approval of Provincial Finance Department.
- 3) Due diligence and utmost foresight shall be ensured to keep the Statement of New Expenditure consistent with the policy objectives and the fiscal space available to the TMA.
- 4) The new expenditure shall be provided with the budget documents as a Statement of New Expenditure (SNE).

23) New Proposals under Current Budget-

- 1) Sub-offices of TMA shall for the next financial year send to the TO (Finance), all proposals involving new current expenditure along with their estimates in Forms BDC-1 and 2.
- 2) An explanatory note justifying the new proposals shall be provided.
- 3) The details of the recurring expenditure of the development projects to be completed during the budget year, shall also be communicated by the sub-offices to the TO (Finance) and TO (I&S).

24) Instructions for New Expenditure-

- 1) The Sub-offices of TMA, while preparing any proposal for new current expenditure shall ensure that-
 - a) All proposals specify the;
 - i. number of required personnel;
 - ii. rates of remuneration; and
 - iii. duration of employment of any proposed officials.
 - b) All relevant revenue implications have been described, quantified and included in the estimates of receipts; and
 - c) Detail of non-salary expenditure have been specified under relevant heads as per the classification structure of Chart of Accounts.
- 2) In submitting proposals for new expenditure administrative difficulties and delays in sanctioning processes should always be borne in mind and not more should be recommended for provision in the budget than is likely to be incurred during the course of the financial year.

PART VII

PROCESSING OF DEVELOPMENT PROJECTS

25) Development Projects

- 1) A development project is a scheme or activity provided within a development expenditure included in the Schedule of Authorised Expenditure and required to be prepared on the Form BDD-1.
- 2) Development projects shall have-
 - a) a finite project life;
 - b) a nominated project manager;
 - c) a specified source of funding;
 - d) an approved project plan and budget; and
 - e) specified deliverables.
- 3) All development project expenditure shall be recorded in the Tehsil Fund.
- 4) Each development project shall be classified according to the elements contained in the Chart of Accounts with a unique code assigned to each development project.

26) Processing of Development Projects

- 1) The development projects shall be processed as follows-
 - a) Identification of development proposal, based on the evidence of peoples' needs, especially women and marginalized communities and consistent with the Tehsil Development Plan or any other duly approved document;
 - b) Preparation of project outline by concerned sub-office;
 - c) Approval of development project outline by the Tehsil Development Committee;
 - d) Preparation of detailed development project proposal on BDD-2;
 - e) Preparation of technical sanction for development projects involving works;
 - f) Approval by the Tehsil Development Committee;
 - g) Issuance of Administrative Approval and Technical Sanction;
 - h) Inclusion in ADP and Tehsil Development Plan; and
 - i) Approval by the Tehsil Council.

27) Role of the Nazim TMA-

- 1) The Nazim TMA shall-
 - a) Provide vision for Tehsil-wide development, leadership and direction for efficient functioning of TMA;
 - b) Develop strategies and timeframe for accomplishment of goals approved by Tehsil Council;
 - c) Oversee formulation and execution of the annual development plan;
 - d) Interact with the stakeholders to assess their needs;

- e) Encourage the community participation and public private partnership in the development activities and ensure that such projects are given priority;
- f) Oversee the preparation of development project proposals;
- g) Ensure that all development project proposals are feasible, sustainable and in line with the priorities set by the Tehsil Council; and
- h) Review progress of development projects and ensure timely completion of development projects.

28) Identification of Development Projects-

- 1) The identification of development projects shall be through a bottom up planning approach based on robust needs identification exercise with greater community participation, including women and marginalized groups;
- 2) The project proposals received during the year from various stakeholders shall be scrutinized by the TMO, after consolidation and review by TO (I&S); and
- 3) TMO shall submit the outline of new development project proposals to the Tehsil Development Committee for approval and further processing.

29) Revision in Development Project Proposals

- 1) The upward revision of cost, or a major change in the objective or scope of a development project shall require the approval of the Tehsil Council.
- 2) The Tehsil Development Committee shall approve the revision within the cost approved by the Tehsil Council. The Tehsil Development Committee shall ensure that the objectives and scope are not altered.

30) Development Projects involving Works

- 1) The development project proposal relating to works submitted to the Tehsil Development Committee for approval shall be accompanied by a preliminary report, a rough cost estimate, preliminary plans, information to the site and other details as may be necessary to fully elucidate the proposals. The estimates and preliminary plans should be obtained from the concerned office dealing with works.
- 2) For every work proposed to be carried out, except petty works and repairs a properly detailed estimate must be prepared for the sanction of the competent authority. This sanction is known as the "Technical Sanction" to the estimate. The officials in accordance with the powers delegated to them shall only accord such sanction.
- 3) Technical sanction shall be issued within one month after approval of PC-I.
- 4) Cost of the Technical Sanction in no case shall exceed the administrative approval cost.
- 5) In cases in which it becomes apparent during the execution of the work that the amount administratively approved or the amount of technical sanction is likely to exceed beyond the limit of approval, the approval of the Tehsil Council shall be obtained.

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PART VIII

DEVELOPMENT BUDGET AND ANNUAL DEVELOPMENT PROGRAMME

31) Annual Development Programme (ADP)-

- 1) The ADP shall be a compilation of the development projects including the communities and public private partnership projects, approved by the Tehsil Council.
- 2) The Annual Development Programme shall be submitted as part of the budget documents.
- 3) The following provisions shall apply to the ADP-
 - a) In pursuance to Section 53 of the Act, the Provincial Finance Commission shall determine the share of each Tehsil or Town out of the Provincial Consolidated Fund duly indicating the development grants to be distributed;
 - b) The ADP shall be formulated within the ceilings communicated by the TO (Finance) and TO (I&S) with the projections for two outer years based on the Tehsil Development Plan, to be updated annually on rolling basis;
 - c) The process for compilation of ADP shall ensure the linkage of TMA policies and priorities – not to be inconsistent with provincial sector policies and priorities - with annual budgeting through greater integration of current and development budget;
 - d) No liabilities of development projects completed from the Provincial ADP or any other federal programme shall be charged to the Tehsil Fund;

32) Classification of ADP

- 1) The ADP shall classify projects by sector, function and geographic location.
- 2) The ADP shall indicate new development projects and ongoing development projects separately.

33) Source of Funding

- 1) Main sources of funding the new development projects shall be-
 - a) Total receipts of the TMA less current expenditure, on-going expenditure of development projects and other liabilities; and
 - b) Grant from Government for:
 - i. Execution of development schemes;
 - ii. Grant in lieu of historic share of Octroi;
 - iii. UIP tax share

34) Phasing of ADP

- 1) The development projects shall be completed within the stipulated time period with no throw forward liabilities.
- 2) Multi-year planning shall reflect and cater for the operation and maintenance costs of completed development projects and shall ensure that such costs are budgeted.

- 3) Annual priorities in various sectors shall be set up by the TMO and approved by the Tehsil Council.
- 4) The formulation of ADP must follow the budget calendar as circulated by the TO (Finance) along with the BCC.

35) **Prioritizing Development Projects for inclusion in ADP-**

- 1) TMO shall select development projects for inclusion in the ADP from the development projects processed by the Tehsil Development Committee and forward their details to the TO (Finance) in Forms BDD-1 and 2 through TO (I&S). The development projects recommended by the TMO shall be in line with the budget guidelines included in the Budget Call Circular, ADP Guidelines and the detailed operational plans under the administrative control of the TMO.

36) **Monitoring of Development Projects Execution-**

- 1) Expenditure can be incurred only on development projects for which Administrative Approval and Technical sanction (for works) have been accorded and the development project has been included in the budget and has been approved by the Tehsil Council.
- 2) Key Performance Indicators and Targets duly disaggregated gender wise shall be set as per the priorities set in the Tehsil Development Plan and the outcomes and outputs established in the budget.
- 3) The respective executing agency shall be responsible for the execution of the development projects as per parameters fixed in the approved PC-I and as per provisions of the rules and instructions relevant to the respective executing agency. Additionally, the executing agency shall be rigorously following the PC-III format of monitoring the development projects.
- 4) Monitoring of projects shall be made by community, elected representatives, TMO as internal monitoring and the Provincial Planning Department through Divisional Directorate of Monitoring and Evaluation as external monitoring.
- 5) For development projects under execution, the executing agency shall send monthly progress reports in the prescribed Form BM-3 and BM-4 to the TMO, TO (I&S) and TO (Finance), and the Monitoring Committee by 10th of each succeeding month. Pictorial data shall also be provided. Such reports, where possible, shall also include gender and marginalized groups disaggregated data to understand and track allocations and utilization of funds for women, girls and marginalized groups.
- 6) The Tehsil Development Committee shall hold quarterly reviews and annual review to monitor the progress of the projects. The results of such review shall be submitted to the Divisional Commissioner for information and the Nazim TMA for submission to the Tehsil Council.
- 7) The Nazim TMA shall hold periodic progress review of the financial as well as physical progress of the development projects.

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- 8) The concerned Commissioner through its Divisional Monitoring and Evaluation setup shall monitor at least 25 percent of the projects in Tehsil.
- 9) The Nazim TMA shall visit not less than 10 percent of the projects being funded through Tehsil ADP, while TMO shall visit at least 70 percent of the projects.
- 10) The TMO shall be bound to furnish financial and physical progress of projects regularly on monthly basis for periodic review of the Nazim TMA.
- 11) The TO (I&S) shall visit regularly major development projects. The inspection reports shall be discussed in the periodic review meetings. A copy of such reports shall invariably be sent to the Provincial Planning and Development Department along with recommended actions.
- 12) Third Party Validation shall be undertaken where required.
- 13) PC-IV signed by the TMO shall be mandatory for all the projects.
- 14) The TMO and the Provincial Planning and Development Department shall conduct the impact evaluation of important ongoing or completed development projects.

37) **Development Projects Completion-**

- 1) On development project completion, a project handing over report shall be submitted by the TMO to the Tehsil Development Committee, and a copy shall be provided to the Tehsil Council.

38) **Post Completion-**

- 1) Post completion evaluation of each development project shall be undertaken jointly by the TO (Finance) in collaboration with TO (I&S) and a report submitted to the Tehsil Council.

39) **Flow-on Effect to Current Budget-**

- 1) The TO (I&S) shall ensure that-
 - a) Details of the recurring expenditure of each development project expected to be completed in the next financial year is communicated to the TO (Finance); and
 - b) The recurring liability is included in the current budget and Statement of New Expenditure for the next financial year subject to prior approval of the Provincial Finance Department.

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PART IX

BUDGET PRESENTATION TO THE TEHSIL COUNCIL

40) Budget Documents-

- 1) The TO (Finance) shall for the Tehsil Council prepare the budget documents specified below-
 - a) Budget speech of the Nazim;
 - b) Annual Budget Statement;
 - c) Budget Salient Features;
 - d) Estimates of Receipts;
 - e) Estimates of Expenditures;
 - f) Statement of New Expenditure;
 - g) Annual Development Programme; and
 - h) Citizens' Budget;
- 2) The formats of the budget documents are provided in the First Schedule, while a brief description follows.

41) Budget Speech-

- 1) The Budget Speech of the Nazim TMA shall include the main features of the budget.

42) Annual Budget Statement-

- 1) The Annual Budget Statement shall include details of receipts and expenditure. The following shall be included in the Annual Budget Statement (ABS)-
 - a) Financial Abstract;
 - b) Details of Receipts;
 - c) Details of expenditure;
 - d) Details of Current expenditure by detailed function and major objects; and
 - e) Function wise Development expenditure.
- 2) The Annual Budget Statement shall be submitted on Form ABS.

43) Budget Salient Features-

- 1) The Budget Salient Features shall provide a brief description of the main features of each area of service delivery and also include performance targets, service delivery facilities, policies and plans.
- 2) The salient features of each area of service shall be provided in Form BSF-1.
- 3) The performance targets shall be provided in Form BSF-2.
- 4) The status of service delivery facilities shall be provided in Form BSF-3.

44) Estimates of Receipts-

- 1) The estimates of receipts shall be prepared and consolidated pursuant to Part IV.

- 2) The estimates of receipts and other details shall be provided on Forms BDR 1 to 3.

45) **Estimates of Current Expenditures-**

- 1) The estimates of current expenditures shall be prepared and consolidated pursuant to Part V.
- 2) The estimates of current expenditures and other details shall be provided on Forms BDC 1 and 2.

46) **Statement of New Expenditure-**

- 1) The estimates of new expenditure relating to current budget shall be provided separately as well, and prepared pursuant to Part V and VI.
- 2) The Schedules and explanatory notes relating to the "Statement of New Expenditure" shall be provided in Forms BDC 1 and 2.

47) **The Annual Development Programme-**

- 1) The Annual Development Programme shall be formulated as prescribed in Part VII, and VIII and include details of each development project.
- 2) The Annual development Program shall be provided in Form BDD-1.

48) **The Citizens' Budget-**

- 1) Citizens' Budget in local languages shall be developed by the TO (Finance) for greater budget transparency and shall make it public through a mix of communication media.
- 2) The Citizens' Budget shall be a non-technical compilation of the budget for a layman and shall be developed on the forms to be devised by the TMO in consultation with TO (Finance) and TO (I&S).
- 3) Guidelines and instructions of the Provincial Finance Department regarding implementation roadmap for improved budget transparency measures shall be adhered to by the TMO.

49) **Presentation to the Tehsil Council-**

- 1) The budget documents shall be laid before the Tehsil Council for approval.
- 2) The Tehsil Council may refer the budget documents to the Tehsil Finance Committee constituted by the Tehsil Council. The Committee shall perform the following functions-
 - a) scrutiny of receipts;
 - b) scrutiny of expenditure;
 - c) examination of new proposals for taxation; and
 - d) make recommendations to the Tehsil Council.

- 3) No lump sum provisions shall be made in the budget the details of which cannot be explained.
- 4) A budget shall not be approved by the Tehsil Council if the receipts do not match the proposed expenditure.

50) Authenticated Schedule of Authorized Expenditure-

- 1) Following approval by the Tehsil Council of the Annual Budget Statement in respect of the next financial year, the TO (Finance) shall-
 - a) prepare a Schedule of Authorized Expenditure;
 - b) procure the authentication of the Nazim TMA for the Schedule mentioned in Sub-Rule (a) above;
 - c) Schedule of Authorized Expenditure shall be prepared in the same form as the Annual Budget Statement;
 - d) the Schedule authenticated by the Nazim TMA shall be laid before the Tehsil Council, but shall not be open to discussion or vote thereon; and
 - e) The Schedule of Authorized Expenditure shall lapse at the end of the financial year.
- 2) A copy of the budget documents shall be supplied to the Government, Provincial Finance Commission and Local Government Commission. A copy shall be provided to other local governments in the District if requested by them.
- 3) The Citizens' Budget shall be made public widely through a mix of media (print and electronic).
- 4) The revenue targets approved by the Tehsil Council shall be forwarded by the TO (Finance) to TO (Regulation).

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PART X

REVENUE AND RECEIPTS MANAGEMENT

51) Revenue and Receipts Management-

- 1) The primary obligation of the TO (Regulation) shall be to ensure that all revenue due is claimed, realized and credited immediately into the Tehsil Fund under the proper receipt head.
- 2) Guiding principles while receiving money on behalf of the government shall be-
 - a) money received shall not be rotated through a number of hands unnecessarily;
 - b) all public money received must be duly receipted on sequentially numbered printed receipts Form T.R. 5. As per the Treasury Rules these receipt books must be kept under lock and key in the personal custody of the officer authorized to sign the receipt on behalf of the TMA. Similarly, before a receipt book is brought into use, the number of forms contained therein shall be counted and the result recorded in a conspicuous place in the book over the signature of an officer in charge of the book. Counterfoils of used receipt books shall be kept in his personal custody;
 - c) public money shall in so far as possible be deposited directly in the bank through prescribed Challan forms on the same day but not later than the close of following day;
 - d) public money and private money shall be kept separately. A Government Officer who handles Government money should not, except with the special sanction of the Head of Office, be allowed to handle also in his official capacity money which does not belong to the TMA;
 - e) for opening of bank accounts for public money prior sanction of the TMO is mandatory; and
 - f) In order to ensure proper accounting and reporting of government revenues, money tendered must be recorded under proper head of accounts as per the Chart of Accounts.
- 3) The TMO shall supervise and take corrective measures in respect of the activities of the TO (Regulation).
- 4) The TO (Finance) shall ensure that all public money is duly recorded in the Accounting system specifically developed or procured for the TMA.

52) Monthly Statement of Receipts-

- 1) The TO (Regulation) shall furnish monthly statements of actual collections to the TO (Finance) in Forms BM-2 by 15th day of the month following the month to which the statement relates.
- 2) In the event that any error in recording of receipts is discovered the return shall be corrected and intimation shall immediately be sorted by TO (Regulation).

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53) **Prompt Deposit of Receipts-**

- 1) The receipts for a month shall be the figures of the receipts actually realized and credited during that particular month.
- 2) In the event that any money is realized in one month but not credited until the subsequent month except that relating to the last working day of a calendar month, the facts and circumstances shall be clearly stated in the monthly report in which the receipts were realized.
- 3) The sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue.

54) **Monthly Report of Receipts-**

- 1) The TMO shall submit a monthly report to the Tehsil Council relating to the receipts received during the month.
- 2) The monthly financial report relating to receipts shall be on Form-BM-2 - Monthly Statement of Receipts

55) **Role of Tehsil Accounts Committee-**

- 1) The TMO in his capacity as the Principal Accounting Officer (PAO) of TMA shall be responsible for resolving Audit paras relating to receipts.
- 2) The Tehsil Accounts Committee of the Tehsil Council shall monitor the receipts during the financial year.
- 3) The Tehsil Accounts Committee shall especially focus on the actual realization of monthly targets.
- 4) The TMO shall be responsible to the Tehsil Accounts Committee of the Tehsil Council for issues relating to receipts.

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PART XI

EXPENDITURE MANAGEMENT

56) Standards of Financial Propriety-

- 1) Every officer incurring or authorizing expenditure from Tehsil fund shall be guided by high standards of financial propriety. Among the principles on which generally greater emphasis is laid are the following-
 - a) Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money;
 - b) The expenditure should not be prima facie more than the occasion demands;
 - c) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage;
 - d) Public moneys should not be utilized for the benefit of a particular person or section of the community unless the amount of expenditure involved is insignificant or-
 - i. a claim for the amount could be enforced in a court of law; or
 - ii. the expenditure is in pursuance of a recognized policy or custom.
 - e) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients;

57) Key Controls for Expenditure Management-

- 1) As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from Tehsil Fund until the expenditure has been sanctioned by general or special orders of the Nazim TMA and the expenditure has been provided for in the approved annual budget of the TMA for the year.
- 2) TMO is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.
- 3) The total expenditure shall be kept within the limits of the authorized appropriations.
- 4) Proper control for reporting not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it.
- 5) Systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings and to guard against waste and loss of public money and stores.
- 6) Delay in the payment of money indisputably due from TMA is contrary to all rules and budgetary principles and should be avoided.
- 7) The following provisions shall be complied with respect to the procurement of stores and stock-
 - a) Purchases must be made in the most economical manner in accordance with the definite requirements of the public service.

- b) Purchase Orders should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.
- c) All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible officer who should see that the quantities are correct and their quality good, and record a certificate to that effect.
- d) When materials are issued from stock for use, manufacture, sale, etc., the officer in charge of the stores should see that an indent in the prescribed form has been made by a properly authorized person, examine it carefully with reference to the orders or instructions for the issue of stores and sign it; if he is unable to comply with the requisition in full, he should make suitable alterations under his dated initials in the description and quantity of material.
- e) Safe custody, for keeping stores in good and efficient condition and for protecting them from damage or deterioration.
- f) An inventory of the dead stock should be maintained in TMA in a form prescribed by competent authority, showing the number received, the number disposed of (by transfer, sale loss etc.), and the balance in hand for each kind of article.
- g) Physical verification of stores shall not be entrusted to a person-
- i. who is the custodian, the ledger keeper, or the accountant of stores to be verified, or who is a nominee of, or is employed under the custodian, the ledger keeper or the accountant ;or
 - ii. who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified.
- h) The previous sanction of competent authority should be obtained to the writing off of all losses, deficiencies or depreciation in the value of stores.
- 8) The following provisions shall be complied with respect to the contracts management-
- a) the terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein;
 - b) as far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into;
 - c) standard forms of contracts should be adopted wherever possible, the terms to be subject to adequate prior scrutiny;
 - d) the terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract. No payments to contractors by way of compensation or otherwise outside the strict terms of the contract or in excess of the contract rates may be authorized without the previous approval of the competent authority;
 - e) no contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the competent authority;

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- f) whenever practicable and advantageous, contracts should be placed only after tenders have been openly invited and, in cases where the lowest tender is not accepted, reasons should be recorded;
- g) in selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors; and
- h) provision must be made in contracts for safeguarding TMA property entrusted to a contractor.

58) **Role of Tehsil Accounts Committee-**

- 1) The Tehsil Accounts Committee of the Tehsil Council shall monitor the budget during the financial year.
- 2) The Tehsil Accounts Committee shall review the monthly financial reports including the accounts report submitted by the TO (Finance).
- 3) The Principal Accounting Officer shall be responsible to the Tehsil Accounts Committee of the Tehsil Council for issues relating to expenditure.

59) **Monthly Reports of Expenditure-**

- 1) TMO shall submit a monthly report to the Tehsil Council relating to the expenditure incurred during the month.
- 2) The monthly financial reports shall include the following BM Forms-
 - a) BM-1 - Monthly Statement of Current expenditure;
 - b) BM-2 - Monthly Statement of Receipts;
 - c) BM-3 - Monthly Progress Report Development Programme - government Projects & Community Projects or Public Private Partnership;
 - d) BM-4 - Monthly Report- Operationalization of Projects;
 - e) BM-5 - Service Delivery Targets;
 - f) BM-6 - Establishment Status by Designation.



SECRETARY

**GOVERNMENT OF KHYBER PAKHTUNKHWA
LOCAL GOVERNMENT ELECTIONS & RURAL
DEVELOPMENT DEPARTMENT**

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FIRST SCHEDULE - FORMS

ANNUAL BUDGET STATEMENT (ABS)

Section Officer (Directives)
Government of Khyber Pakhtunkhwa
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FORM ABS
ANNUAL BUDGET STATEMENT
[See Rule 42]

1. Financial Abstract

	Rupees			
Description	Actuals (Last Year)	B.E (Current Year)	R.E (Current Year)	B.E (Next Year)
Cash Balance on July 1st				
Receipts				
Current Expenditure				
Development Expenditure				
Total Expenditure				

Note:

1. Anticipated cash balance as on July 1st to be determined after finalizing the revised estimates.

2. Details of Receipts

	Rupees			
Major, Minor and Detailed Object Heads	Actuals (Last Year)	B.E (Current Year)	R.E (Current Year)	B.E (Next Year)
Total				

3. Details of Current Expenditure by Sub-detailed Function and Major Object

		Rupees									
Major, Minor, Detailed and Sub-detailed Functions	Major Object	Actuals (Last Year)	B.E (Current Year)			R.E (Current Year)			B.E (Next Year)		
			Charged	Voted	Total	Charged	Voted	Total	Charged	Voted	Total
Total											

4. Details of Development Expenditure by Sub-detailed Function and Major Object

		Rupees			
Major, Minor, Detailed and Sub-detailed Functions	Major Object	Actuals (Last Year)	B.E (Current Year)	R.E (Current Year)	B.E (Next Year)
Total					


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BUDGET SALIENT FEATURES

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FORM BSF-1

POLICIES AND PROPOSED ACTIVITIES

[See Rule 43]

Name of the TMA “.....”

Vision

“.....”

Outcome (s) & Output(s)

OUTCOMES	OUTPUTS
1.....	1.1....

Strategic Overview

Achievement(s)

Priority & Future Plans(s)

Note:

1. To be prepared by TMO.

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FORM BSF-2
SERVICE DELIVERY PERFORMANCE INDICATORS & TARGETS
[See Rules 43]

Name of the TMA “.....”

Outcome(s)/Output(s)	Key Performance Indicator(s)	Targets	Progress	Medium Term Targets		
		Current Year	Budget Year	Outer Year I	Outer Year II	
1) Outcome						
1.1)Output	1.1.1) KPI					

Note:

1. To be prepared by TMO.
2. Key Performance Indicators and Targets shall be developed in such a way to fully depict gender sensitivity.

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FORM BSF-3
SERVICE DELIVERY FACILITIES STATUS
[See Rules 43]

Name of the TMA “.....”

Type of Facility	**Expected Status On 1 st July Current Year			Planned During The Budget Year			
	Operational	Closed	Under Construction	Closed To Be Made Operational (from Column 3)	Existing Facilities Proposed To Be Closed (from Column 2)	Under Construction To Be Completed (from Column 4)	New Construction To Be Initiated (as planned in the Annual Development Programme)
1	2	3	4	5	6	7	8

Note:

1. To be prepared by sub-offices and consolidated by TO (I&S).
2. Expected status as on March of each year.

Section Officer (Directives)
 Government of Khyber Pakhtunkhwa
 Local Govt & Rural Dev. Department
 24/1/2016

BUDGET DETAILS - RECEIPTS

Section Officer (Directives)
Government of Khyber Pakhtunkhwa
Local Govt & Rural Dev. Department
24/1/2016

FORM BDR-1
MONTHLY TARGETS OF RECEIPTS (FY20__)
[See Rules 10 and 44]

Name of the TMA “.....”

1	2	3												
		Monthly collection Targets For Next Year												
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Total														

Note:

To be prepared by TO (Regulation) of the respective TMA.

FORM - BDR-2
SCHEDULE OF ARREARS (Receivable)
[See Rules 10 and 44]

Name of the TMA “.....”

RUPEES																		
Major/ Minor/ Detailed Receipt Head	Arrears for Previous Years	Collection of Arrears			Balance of Arrears and Monthly Collection Target													
		Actual Collection upto February	Last 4 Months Expected	Total Expected Collection	J	A	S	O	N	D	J	F	M	A	M	J	T	
					U	U	E	C	O	E	A	E	A	P	A	U	O	
					L	G	P	T	V	C	N	B	R	R	Y	N	T	

To be prepared by TO (Regulations)

FORM BDR-3
JUSTIFICATION OR EXPLANATION FOR BUDGET ESTIMATES

(FOR RECEIPTS)
[See Rules 10 and 44]

Name of the TMA “.....”

Sr. #	Detailed Head	Justification / Explanation For Estimates

Note:

1. To be prepared by TO (Regulation).


 Section Officer (Directives)
 Government of Khyber Pakhtunkhwa
 Local Govt & Rural Dev. Department
 24/1/2016

BUDGET DETAILS – CURRENT EXPENDITURE

EXISTING, NEW AND TOTAL

Section Officer (Directives)
Government of Khyber Pakhtunkhwa
Local Govt & Rural Dev. Department
24/1/2016

FORM BDC-1

ESTABLISHMENT STRENGTH BY FUNCTION AND DESIGNATION

[See Rules 16 and 23]

Name of the TMA “.....”

Sub-Detailed Function “.....”

Sr. #	BPS	Designation	Sanctioned			Filled			Vacant			Recruitment Planned for Next Year			Total Establishment (Filled + Recruitment)		
			M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total

Note:

- To be prepared by each sub-office and consolidated by TO Finance.
- M= Male F=Female

FORM BDC-2

ESTIMATES OF DEMAND (CURRENT EXPENDITURE) (FY20__)

[See Rules 16 and 23]

Name of the TMA “.....”

Sub-detailed Function “.....”

Rupees					
1	2	3	4	5	6
Major/ Minor/ Detailed Object & Description	Actuals of the last year	Budget Estimates of the current year	Actual of first 8 months of current financial year	Revised Estimates of the current year	Budget Estimates proposed for next year
Total					

Note:

- To be prepared by each sub-office and consolidated by TO (Finance).
- To be prepared separately for new expenditure.

BUDGET DETAILS – DEVELOPMENT EXPENDITURE

Section Officer (Directives)
Government of Khyber Pakhtunkhwa
Local Govt & Rural Dev. Department
24/1/2016

ANNUAL DEVELOPMENT PROGRAMME – TMA (FY20--)

Name of the TMA “.....”

[illegible]

Section Officer (Directives)
Government of Khyber Pakhtunkhwa
Local Govt & Rural Dev: Department of

FORM BDD-2
PROJECT PROPOSAL

[See Rules 26]

I. Name of Project

1. Name of Project _____
2. Project Code _____

II. Implementation Arrangement for the Project

1. Sponsoring Agency
2. Executing Agency
3. Implementing Agency after Completion
4. Indicate the Capacity (personnel etc.) to implement the current proposal and the capacity to manage it after completion.

III. Proposed Project Profile

1. Commencement Date of Project
2. Completion Date of Project
3. Location or Geographic Area Covered by the Project
4. Main Sector and Sub-Sector
5. Provide a brief analysis of the Current situation (issues/problems/on-going efforts) in the sector/sub-sector?
6. Main Description and Objectives (What does the project aim to do and achieve?)
7. Please indicate how the environmental/poverty aspects of the project have been taken into account.
8. Provide details of:
 - related facilities providing similar services
 - institutions performing similar activities
 - similar projects.

IV. Project Activities

A (Inputs/Outputs/ Work Plan)

Sr. No	Activity	Start Date	Completion Date	Targets	Units

Provide Details/Explanation of Work Plan on Separate sheet if required.

B- Project Beneficiaries

Type Of Benefit	Male	Female	Total

C. Other Benefits

D. Interaction with other agencies

Name of Agency/Office	Type of interaction / work required

V. Community Participation Component in the Project

-
- a) How was the community (Men and Women) involved in need identification/preparation of project proposal?
- b) How do you propose to involve the community (Men and Women) in project implementation?
- c) How will the community (Men and Women) be involved after completion of this project?
-

VI. Project Management

How will you manage the work plan and carry out monitoring of the Project.

Explain the system for keeping record and reporting of information.

VII. Financial Summary of Project

a. Anticipated sources of funding

b. Total Cost of Project

Development Costs/One Time Cost-----

Yearly recurrent cost after completion of project-----

Salary-----

Non-salary-----

5 _____

c. Sources of funding of recurring cost

VIII. Detailed Costs of the Project

A. Development Cost

Sr. #	Item Description	Costs (Rupees)					Total
		Year 1	Year 2	Year 3	Year 4	+...	

B. Annual Recurring Cost after Completion of project

Rupees

Sr. #	Major/Minor Detailed Object Head	Total

C. Staffing Details after Completion of Project

Sr.#	BPS	No. of Posts	Designation	Sanctioned		
				Male	Female	Total
	Total					

IX. Estimated Revenues of the Project if any

Rupees

Sr. No.	Major/Minor Detailed Object Head	Total
Total		

Note: Show detailed calculations on a separate sheet

X. Proposed Progress Reporting Schedule

Sr. No.	Name / Details Of Report	Date / Frequency Of Submission

XI. Indicate the risk involved in the project.

XII. Project Preparation/Approval

Prepared by _____ Date _____

Checked by _____ Date _____

Approved by _____ Date _____

Administrative Approval by _____ Date _____

Technical Sanction by _____
Date _____

BUDGET DETAILS – OTHER

Section Officer (Directives)
Government of Khyber Pakhtunkhwa
Local Govt & Rural Dev: Department
24/1/2016

FORM BDO-1
STATEMENT OF INVESTMENT
[See Rules 20]

Rupees

Particulars of Investment	With Whom deposited	Anticipated Opening Balance July 1 st	Amount proposed to be invested	Amount proposed to be withdrawn	Closing balance on June 30 th	Income

Note: The form may be adjusted to suit local requirements.

FORM BDO-2
CALCULATION OF PAY (FY20--)
[See Rules 21]

Name of the TMA “.....”

1	2	3	4	5	6	7	8		9	10
Sr #	Name	Post & Designation	BPS	Monthly Pay on 1st July (Current Year)	Monthly Pay on 1st July (Next Year)	Pay for first five months (Next Year)	Increment due in December (Next Year)		Total Pay	Pension Contribution
							Monthly Rate (8a)	Amount seven months (8b)		
						(Col 6) * 5		(Col 8a) * 7	Col 7+Col8b	
	Total									

FORM BDO-3
CALCULATION OF ALLOWANCES (FY20--)
[See Rules 21]

Name of the TMA “.....”

1	2	3	4	5	6	7	9
Sr #	Name	Post & Designation	BPS	Allowance 1	Allowance 2	Allowance 4	Total Pay
	Total						

BUDGET MANAGEMENT

Section Officer (Directives)
Government of Khyber Pakhtunkhwa
Local Govt & Rural Dev. Department
24/1/2016

FORM BM-1
MONTHLY STATEMENT OF CURRENT EXPENDITURE (FY20--)

[See Rules 59]

Name of the TMA “.....”

Month “.....”

Rupees								
Detailed Object	Description	Budget Estimate at the Start of the Month	Addition/Reduction During the Month	Budget Estimate at End of Month	Total Expenditure upto Previous Month	Expenditure During the Month	Total Expenditure to Date	Balance Remaining (Col5-9)
1	2	3	4	5	6	7	8	9

Note: to be prepared by TO (Finance)

FORM BM-2
MONTHLY STATEMENT OF RECEIPTS (FY20--)

[See Rules 52 and 59]

Name of the TMA “.....”

Month “.....”

Rupees								
1	2	3	4	5	6	7	8	9
Major/Minor Head and Detailed Head	Budget Estimates for the Current Financial year	Revised Estimates for the current financial year	Target for the month	Actuals realized in the month	Target from the start of financial year to the close of the month	Actual realization from start of current financial year to the close of month	Anticipated realization for remainder of the current financial year	Total present estimate for the current financial year (Col. 7 + col.8)

Note: To be prepared by Collecting Officers

FORM BM-3
MONTHLY PROGRESS REPORT – DEVELOPMENT EXPENDITURE (FY20--)

[See Rules 36 and 59]

Name of the TMA “.....”

Month “.....”

Rupees

Sr. No	Project #	Name/ location of Scheme	Project Cost		Project Completion date		Budget & Expenditure							
			Previous Approved	Revision this month	Previous Approved	Revision this month	Previous Years Exp.	Current Year (BE)	RE	Amount Released	Exp upto this month	Exp. this month	Cumulative expenditure	% Utilization
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

FORM BM-4

MONTHLY REPORT – OPERATIONALISATION OF SCHEMES

[See Rules 36 and 59]

Name of the TMA “.....”

Month “.....”

Sr. #	Scheme No. And Name	Planned Completion Date	Actual Completion Date	Date Handed Over To Implementing Office	Date Operationalized

FORM BM-5
SERVICE DELIVERY TARGETS

[See Rules 59]

Name of the TMA “.....”

Month “.....”

Outcome(s)/Output(s)	Key Performance Indicator(s)	Targets			Progress	
		Current Year	Current Month	Progressive To date		

1) Outcome

1.1) Output 1.1.1) KPI

FORM BM-6

ESTABLISHMENT STATUS BY DESIGNATION

[See Rule 59]

Name of the TMA “.....” Month “.....”

Sr. #	Designation	BPS	Beginning of Month						End of Month					
			Sanctioned			Filled			Sanctioned			Recruited		
			<u>M</u>	<u>F</u>	<u>T</u>	<u>M</u>	<u>F</u>	<u>T</u>	<u>M</u>	<u>F</u>	<u>T</u>	<u>M</u>	<u>F</u>	<u>T</u>

SECOND SCHEDULE – BUDGET CALENDAR

BUDGET CALENDAR

Section Officer (Directives)
Government of Khyber Pakhtunkhwa
Local Govt & Rural Dev. Department
24/1/2016

BUDGET CALENDAR

[See Rules 4, 10 and 13]

SCHEDULE FOR CURRENT & DEVELOPMENT BUDGET			
S#	Activity	Responsibility	Deadline
1.	Communication of 3 Years' Indicative Tehsil or Town Share by PFC based on the projections of MTFF-I	Provincial Finance Commission Secretariat	By end of October
2.	Issuance of Budget Call Circular and ADP Guidelines	i. TO Finance ii. TO I&S	By mid of November
3.	Submission of schemes by Tehsil Council and other Stakeholders etc.	Tehsil Development Committee and TO I&S	Aug-January
4.	Approval of project proposal	Tehsil Development Committee	By mid of January
5.	Preparation of detailed estimates and accordance of Technical sanction	TMO and TO I&S	By end of January
6.	Submission of Consolidated Draft Budget Proposals (Current and Development)	TMO	By end of March
7.	Review of Draft Budget (Current and Development)	Tehsil Council	By end of April
8.	Communication of Tehsil or Town Share by PFC as firmed up based on MTFF-II	Provincial Finance Commission	By 10 th of May
9.	Revision and changes in budget proposals and their submission to TMO	TO (Finance)	By end of May
10.	Submission of final Budget to Tehsil Council based on final estimates provided by the PFC.	TMO	June
11.	Approval of Final Budget	Tehsil Council	June
12.	Budget Implementation	TMO and sub offices	July

APPENDIX A – EXTRACTS FROM THE ACT

22. Functions and powers of Tehsil Municipal Administration.---The functions and powers of tehsil municipal administration shall be to-

- (a) monitor and supervise the performance of functionaries of Government offices located in the tehsil and hold them accountable by making inquiries and reports to the district government or, as the case may be, Government for consideration and action;
- (b) prepare spatial plans for the tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- (c) execute and manage development plans for improvement of municipal services and infrastructure;
- (d) exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commercial markets, shopping centers; residential, recreation, parks, entertainment, passenger and freight transport and transit stations;
- (e) enforce municipal laws, rules and bye-laws;
- (f) prevent and remove encroachments;
- (g) regulate affixing of sign-boards and advertisements;
- (h) provide, manage, operate, maintain and improve municipal services;
- (i) prepare budget, long term and annual municipal development programmes;
- (j) maintain a comprehensive data base and information system on services in the tehsil, municipal record and archives and provide public access to it on nominal charges;
- (k) collect taxes, fines and penalties provided under this Act;
- (l) organize sports, cultural, recreational events, fairs and shows;
- (m) organize cattle fairs and cattle markets;
- (n) co-ordinate and support municipal functions amongst village and neighbourhood councils;
- (o) regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;
- (p) manage municipal properties, assets and funds;
- (q) develop and manage schemes, including site development in collaboration with

district government;

(r) authorize officers to issue notice, prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws; and

(s) prepare financial statements and present them for audit.

23. Functions and powers of the Nazim, Tehsil Council.---(1) The functions of the Nazim, tehsil council shall be to-

- . (a) provide vision for tehsil-wide development, leadership and direction for efficient functioning of municipal administration and tehsil based offices of Government;
- . (b) formulate strategies for infrastructure development, improvement in delivery of services and implementation of laws;
- . (c) oversee formulation and implementation of long term and annual development programmes at tehsil level;
- . (d) present budget proposals for approval of tehsil council;
- . (e) prepare and present report on the performance of municipal administration in tehsil council at least twice a year;
- . (f) call for quarterly reports from tehsil based offices of Government, present them to tehsil council and forward them to district government or, as the case may be, Government along with recommendations of tehsil council and his comments for consideration and action;
- . (g) supervise utilization of funds allocated to tehsil municipal administration; and
- . (h) represent tehsil municipal administration on civic and ceremonial occasions.

(2) flowing from decisions made by him personally or under his directions in violation of any provisions of this Act or any other law for the time being in force and for any expenditure incurred without lawful authority.

. (3) The Nazim, tehsil council may, and if directed by the Government shall-

- . a) create and supervise special units for management and administration of municipal services in the jurisdiction of erstwhile municipal committees, and other areas having urban characteristics, in the tehsil;
- . b) notify representation of the local people for oversight and control by clustering the Nazimeen of contiguous neighbourhood councils in the units so created; and
- . c) ensure appropriate allocation of human and financial resources to support municipal services in the units.

- . (4) Nazim tehsil council shall have powers to initiate disciplinary action

against functionaries in the tehsil municipal administration under efficiency and discipline rules applicable to the employees of local council service and servants of the local councils.

The Nazim, tehsil council shall be personally responsible for any loss

24. Composition of Tehsil Council.---There shall be a tehsil council in each tehsil which shall consist of general seats, seats reserved for women, peasants and workers, youth and non-muslims as provided in Part-B of Second Schedule to this Act.

25. Functions and powers of Tehsil Council.---The functions and powers of tehsil council shall be to-

- . (a) approve taxes, fines and penalties proposed by the Nazim, tehsil council;
- . (b) approve bye-laws for delivery of municipal services;
- . (c) approve annual budget and appropriations for tehsil municipal administration;
- . (d) approve long and short term development plans;
- . (e) approve land use, zoning and master plan of the tehsil, development and maintenance programmes proposed by the tehsil municipal administration;
- . (f) elect Standing Committees of the tehsil council for municipal offices, tehsil based offices and sub-offices of devolved functions to oversee matters and service delivery obligations assigned to municipal offices, offices and sub-offices of devolved functions in the tehsil and report to the tehsil council their findings on efficiency, responsiveness, service delivery standards and performance of the respective offices for review;
- . (g) elect Finance Committee of the tehsil council for examination of tax and budget proposals, re-appropriations and supplementary grants;
- . (h) elect Tehsil Accounts Committee to scrutinize the accounts showing appropriations of sums granted by the tehsil council for expenditure of tehsil municipal administration, audit reports, statement of income and expenditure and such other matters as the tehsil council may refer to it;
- . (i) elect a Committee on Conduct of Business to consider matters regarding procedure and smooth conduct of business in the tehsil council;
- . (j) elect Tehsil Committee on Assurances to scrutinize reports on implementation of assurances, promises and undertakings given to the tehsil council;
- . (k) elect a Code of Conduct Committee to oversee the observance of code of ethics by the members;

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24/1/2016

- . (l) review the reports and recommendations of Tehsil Accounts Committee; and
- . (m) review the performance reports presented by the Nazim, tehsil council.

30. Establishment of Local Funds and Public Accounts. - (1) There shall be established a district fund, a tehsil fund, village fund and neighbourhood fund, as the case may be, for each respective local government.

(2) To the credit of the respective Fund shall be placed all revenues received by a local government from the following sources:

- (a) monies transferred by another local government under this Act;
- (b) grants made or monies received from Government or other authorities in Pakistan;
- (c) the proceeds of taxes levied by a local government under this Act;
- (d) rents and profits payable or accruing to a local government from immovable property vested in or controlled or managed by it;
- (e) proceeds or any other profits howsoever known or called from bank accounts and investments of a local government;
- (f) gifts, grants or contributions by individuals or institutions;
- (g) income accruing from markets or fairs regulated by a local government;
- (h) fines imposed and recovered under this Act; and
- (i) proceeds from other sources of income which are placed at the disposal of a local government under directions of Government.

(3) To the credit of respective Public Account of the local government shall be placed all revenues received by a local government from the following sources-

- (a) receipts accruing from trusts administered or managed by it;
- (b) refundable deposits received by it; and
- (c) deferred liabilities.

(4) A local government, may and if required by Government shall establish and maintain a separate fund for any special purpose to which one or more sources of revenue mentioned in sub-section (2) or any part of these sources or any specified portion of the Fund may be assigned and which shall be administered and regulated in such manner as Fund of the local government.

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 Local Govt & Rural Dev. Department
 24/1/2016

31. Custody and Operation of Funds and Public Account. — (1) Monies credited to a Fund or a Public Account of a local government shall be kept in the State Bank, Government Treasury, a post office or a bank in such manner as shall be specified by the Government from time to time.

(2) The Funds shall be operated in such a manner as may be prescribed.

32. Charged expenditure. -- (1) The following expenditure shall be charged on the Fund of local government, that is to say:

- (a) such sums as are required for repayment of debt;
- (b) any sum required to satisfy any judgment, decree or award against the local government by any Court or Tribunal;
- (c) such sums as the local government may be required by Government to contribute towards the conduct of elections, the maintenance of specified group of functionaries and the auditing of accounts; and
- (d) any expenditure declared by Government to be so charged.

(2) If any expenditure is a compulsory charge on the Fund of a local government and is not paid, Government may, by order, direct the person having the custody of the Fund to pay such amount, or so much thereof as may be possible from time to time, from the balance of the Fund.

33. Application of Funds. --- (1) The money credited to the Fund of a local government shall be expended in accordance with annual budget approved by the respective local council.

(2) No local government shall transfer monies to a higher level of Government except by way of repayment of debts or for carrying out deposit works or as provided in this Act.

(3) Where a new local government is to take over during a financial year as a result of fresh elections, the outgoing local government shall not spend funds or make commitments for any expenditure, under any demand for grant or appropriation, in excess of eight percent per mensem of the budgeted funds for remainder of its term in office.

34. Budget Preparation. --- (1) The annual budget for each local government shall contain estimates of:

- (a) grants-in-aid from Government;
- (b) amounts available in the respective Fund;
- (c) receipts for the next year; and

(d) expenditures to be incurred for the next year.

(2) The Government shall, sufficiently before the beginning of each financial year, notify the provisional grants, which may be credited to the Fund of a local government from the Provincial Consolidated Fund.

(3) No demand for a grant shall be made except on the recommendation of the respective Nazim.

(4) Conditional grants from Government or other local government will be shown separately in the budget and will be governed by conditions provided therein.

(5) Before the commencement of a financial year each local government shall, for its Fund, prepare in the prescribed manner, a budget for that year.

35. Approval of Budget. -- (1) Before the commencement of the next financial year, each Nazim shall, present the budget for consideration and approval of the respective local council.

(2) The budget of a local government shall be approved by simple majority of the total membership of the respective council.

(3) No other business shall be taken up by a council during budget session.

(4) In case a budget is not approved by the local council before commencement of the financial year to which it relates, Government shall prepare, approve and authenticate budget for the local government.

(5) A local council shall not be empowered to approve a budget if the sums required to meet estimated expenditures exceed the estimated receipts.

(6) The Nazim shall authenticate by his signature a schedule specifying the:

- (a) grants made or deemed to have been made by the local council; and
- (b) the several sums required to meet the expenditure charged upon the Fund of the local government.

(7) The schedule so authenticated shall be laid before the local council, but shall not be open to discussion or vote thereon.

(8) The schedule so authenticated shall be communicated to the respective Accounts Officials and Government.

(9) At any time before the expiry of the financial year to which budget relates, a revised budget for the year may, if necessary, be prepared and sanctioned and such revised budget shall, so far as may be, be subject to the provisions of this section.

36. Accounts. --- (1) The accounts of receipts and expenditure of local governments shall be kept in such form and in accordance with such principles and methods as the Auditor- General of Pakistan may prescribe.

(2) The following arrangement for maintaining of accounts in local governments shall be followed:

- (a) the District Accounts Officer shall maintain the accounts of each district government;
- (b) the Tehsil Accounts Officer shall maintain the accounts of the tehsil municipal administration;
- (c) the Village Accountant shall maintain the accounts of village council;
- (d) the Neighbourhood Accountant shall maintain the accounts of neighbourhood council; and
- (e) the Accounts Officer mentioned in clauses (a), (b), (c) and (d) shall perform pre-audit of all payments from the respective Fund before approving disbursements of monies.

(3) The District Accounts Officer shall, quarterly and annually, consolidate the accounts of local governments in the district separately for receipts from the Government and local resources and send a copy to Government, Accountant General and Nazim district council.

(4) Local governments shall publish annual accounts for public information.

(5) Accounts Committees of the respective local councils shall hold public hearings to consider audit reports, objections to statement of accounts and recommend appropriate action to the local council.

37. Audit. --- (1) The Auditor General of Pakistan shall, on the basis of such audit as he may consider appropriate or necessary, certify the accounts compiled and prepared by the respective accounts officials of local governments for each financial year, showing annual receipts and disbursements for the purposes of each local government and shall submit certified accounts with such notes, comments or recommendations as he may consider necessary to the Government and Nazim of the respective local council.

(2) The Nazim shall cause the audit report to be submitted to the respective local council and the local council shall refer it to its Accounts Committee for

examination.

(3) Every district government and tehsil municipal administration shall publish its annual audit report for information of public.

(4) Every Nazim, district council and tehsil council shall appoint an Internal Auditor as principal support person for provision of information to him and members of the respective local council on fiscal performance of the local government.

42. Imposition, notification and enforcement of Taxes. --- (1) A local government subject to the provisions of any other law may, and if directed by Government shall, levy all or any of the taxes and levies specified in the Third Schedule.

(2) No tax shall be levied without previous publication of the tax proposal inviting and hearing public objections and approval of the respective local council.

(3) A local government may reduce, suspend or abolish a tax.

(4) Where a tax is levied or modified, the local government shall specify the date for the enforcement thereof, and such tax or the modification shall come into force on such date.

(5) Government shall have power to direct a local government to levy any tax, increase or reduce any such tax or the assessment thereof and suspend or abolish the levy of any tax.

43. Model Tax Schedule.---Government may frame Model Tax Schedules and when such schedules have been framed a local government shall be guided by them in levying a tax.

Section Officer (Directives)
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44. Rating Areas and Property Tax.---(1) On commencement of this Act, every tehsil shall be rating area within the meaning of the Khyber Pakhtunkhwa Urban Immovable Property Tax Act, 1958 (W.P. Act V of 1958).

(2) The rate of property tax in an area within a tehsil shall be subject to approval of respective tehsil council:

Provided that in the areas within a tehsil where rate has not been determined, the areas shall be deemed to be exempted from property tax till determination of the rate.

(3) Unless varied under sub-section (2) above, the existing rates in the areas within a tehsil shall remain in force.

Explanation.---For the purpose of this section the “rate” shall mean the tax leviable under the Khyber Pakhtunkhwa Urban Immovable Property Tax Act, 1958 (W.P. Act V of 1958).

45. Collection and recovery of taxes.---(1) Failure to pay any tax and other money claimable under this Act shall be an offence.

(2) All arrears of taxes, rents and other moneys claimable by a local government under this Act shall be recoverable as arrears of land revenue.

(3) Government may empower any local government to recover arrears of taxes or any other moneys claimable by the local government under this Act by distress and sale of the movable property belonging to the person concerned or by attachment and sale of the immovable property belonging to him.

(4) Government may specify the officials or classes of officials by whom the power under sub-section (3) shall be exercised and prescribe the manner in which it shall be exercised.

46. Liability on account of taxes.---(1) A local government may by notification, call upon any person to furnish such information, produce such record or accounts or to present such goods or animals liable to any tax as may be necessary for the purpose of determining the liability of such person to a tax.

(2) Any official of a local government authorized in this behalf, may after due notice, enter upon any building or premises for the purpose of assessing the liability of such building or premises to any tax, or inspecting any goods or animals therein liable to any tax.

(3) Any official of a local government authorized in this behalf may, in the prescribed manner, seize and dispose of any goods or animals on which any tax is due and is not paid.

47. Deduction of taxes from salaries.---If a local government levies a tax on professions, trades or callings, it may require the employer of the person liable to such tax to deduct the tax from the salary or wages payable to such person, and on such requisition the amount of the tax due shall be deducted from the salary or wages of the persons concerned and credited to the Fund of the local government.

48. Petitions against valuation and assessment.---No assessment of a tax under this Act or valuation there for, or the liability of a person to be so taxed, shall be called in question except by a petition presented to such authority, in such manner and within such period as may be prescribed.

49. Taxation rules.---All taxes and other charges levied by a local government shall be imposed, assessed, leased, compounded, administered and regulated in such manner as may be prescribed by rules which may, among other matters, provide for the obligation of the tax payer and the duties and powers of the officials responsible for the assessment and collection of taxes.

50. Local governments not to incur debt.---(1) No local government shall incur any debt.

(2) No monies of the local government shall be invested in securities other than those floated or approved by the Government.

51. Constitution of Provincial Finance Commission. --- Government shall constitute a Provincial Finance Commission hereinafter referred to as "Finance Commission".

53. Functions of the Finance Commission.---(1) The Finance Commission shall make recommendations to the Government on:

- a) the amount of grant for local governments out of the proceeds of Provincial Consolidated Fund in a financial year in addition to the grant in lieu of Octroi and Zilla Tax;
- b) Provided that in addition to the establishment charges budgeted for the devolved functions and transfers in lieu of Octroi and Zilla Taxes, the development grant for local governments shall be so determined that it is not less than thirty percent of the total development budget of the province in the respective year;
- c) formula for distribution of the grant among local governments in the province;
- d) Provided that the development grant for village and neighbourhood councils shall be determined on the basis of population;
- e) the amount of special grants for local governments with modalities and conditions to access the facility;
- f) grants in aid to local governments in need of assistance; and
- g) matters relating to local government finance.

(2) While making recommendations, the Finance Commission shall take into account the principles of fiscal need, fiscal capacity, fiscal effort and fiscal performance of local governments.

(3) The Finance Commission shall also take into consideration poverty, population, lag in infrastructure and revenue base of local governments as factors while formulating its recommendations.

(4) The Finance Commission shall present to the Government annually a report on the analysis of fiscal transfers, the situation of own-source revenue in local governments and the reach and quality of their services and the Government shall cause the report to be laid before the Provincial Assembly.

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APPENDIX B – EXTRACTS FROM TEHSIL ROBs 2016

3. Allocation of business.-

(1) The Tehsil Municipal Administration Office or the Town Municipal Office shall consist of such offices, sub-offices as well as such other Units that are located within its jurisdiction. It shall include the offices and sub offices of the municipal committees, or as the case may be, town committees established under Khyber Pakhtunkhwa Local Government Act, 2012 (Khyber Pakhtunkhwa Act No. VIII of 2012).

8. Powers and Functions of Tehsil or Town Municipal Officer:

(1) The Tehsil Municipal Officer shall be responsible to:

- (a) Ensure that the business of the Tehsil Municipal Administration is carried out in accordance with section 22 of the Act and any other law relating to municipal services for the time being enforced;
 - (b) Ensure that the human and material resources placed at his disposal are optimally utilized to improve governance;
 - (e) Obtain approval of the Tehsil or Town Nazim in matters of policy and important decisions and before communicating such matters and decisions to the Government.
- Not bypass the Tehsil Nazim while dealing with the Government, TMA and Local Government Commission.

9. Duties and functions of Municipal Officers.-

(1) A Municipal Officer, shall:

- a) Act as the focal person for the sub-office of the Tehsil Municipal Administration placed under his charge and duly execute the sanctioned policy.
- b) exercise supervision over programmes, projects, services and activities of the sub-office under his control.
- c) assist the Tehsil or Town Municipal Officer, as the case may be in formulation of policy and bring the cases to the notice of the Tehsil or Town Municipal Officer which are required to be submitted to the Tehsil or Town, as the case may be;
- d) submit all proposals for taxation, quote the bye-laws, to the Tehsil Council through the Tehsil or Town Municipal Officer and Tehsil or Town Nazim; provided the taxation proposals shall be scrutinized by the Tehsil Officer (Regulation) before

submission to Tehsil or Town Municipal Officer, Nazim and Council, as the case may be;

- e) be responsible to the Tehsil or Town Municipal Officer for the proper conduct of the business of the Tehsil or Town Office;
- f) subject to any general or special order of Government in this behalf, issue standing orders specifying the cases or classes of cases which may be disposed of by an officer subordinate to the Municipal Officer; and
- g) be responsible for the careful observance of these rules in Tehsil or Town Offices under his control.

21. Reference to the Nazim.- (1) No order shall be issued without the approval of the Nazim, in the following cases:

- a) involving important policy matters or departure from policy of the Tehsil Municipal Administration;
- b) involving proposals for the levy of new taxes and making or withdrawal of bye-laws;
- c) regarding resource position and budget proposals before presentation of the budget and financial statements to the Council;
- d) involving vital social, political, economic and administrative policies of the Tehsil or Town Municipal Administration;
- e) for requisition of meetings of the Council except meetings requisitioned for consideration of no confidence motion against him;
- f) involving annual reports on the working and performance of Tehsil or Town Municipal Administration for submission to the Government;
- g) requiring important reports and documents to be laid before the Council;
- h) where Nazim has issued general or special order for submission to him.

22. Consultation among sub-offices.-

(1) When the subject of a case concerns more than one sub-office -

- a) the Municipal Officer concerned shall be responsible for consulting the other offices; and
- b) no orders shall be issued nor shall the case be submitted to the Tehsil or Town Nazim, until it has been considered by all the sub-offices concerned

23. Consultation with Tehsil or Town Finance Office.

No Tehsil or Town Office or sub-office shall, without previous consultation with Tehsil or Town Finance Office, authorize any orders other than orders in pursuance of any general or special delegation made with approval of the Council, which directly or indirectly affect the finances of the Tehsil or Town, or which, in particular, involve:

- a) relinquishment, remission or assignment of revenue relating to local funds, actual or potential, or furnish a guarantee against it, or grant of all kind of leases.
- b) expenditure for which no provision exists;
- c) a change in the number or nomenclature or basic scale of a post or in the terms and conditions of service of the non-PUGF servants or their statutory rights and privileges which have financial implications;
- d) levy of taxes, duties or fee as defined in the Act;
- e) re-appropriation within the budget grants;
- f) alteration in financial procedure or in the method of compilation of accounts or of the budget estimates; or
- g) interpretation of financial rules and bye-laws.

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SECOND SCHEDULE – DISTRIBUTION OF BUSINESS AMONGST TEHSIL OFFICES

Finance

1. Prepare annual & revised budget under the directions of Nazim;
2. Management and control of local fund and revenues – vigilance, detection and prevention of revenue leakage and losses;
3. Prepare financial statements and present them for internal and external audit in the manner as may be prescribed;
4. Maintenance of public account(s) (cost accounting)
5. Maintain a comprehensive financial database and information system for Tehsil or Town Municipal Administration and provide public access to it;
6. Carry out regular surveys of the revenue base – current and potential - and develop periodic reports of financial analysis for the Council.

Planning & Infrastructure

1. Provision, management, operation, maintenance and improvement Services of the municipal infrastructure and services, including:
 - a. Water supply and control and development of water resources, other than systems maintained by the Union and Village Councils;
 - b. Storm water drainage;
 - c. Sanitation and Solid Waste Management including solid waste collection and sanitary disposal of solid, liquid, industrial and hospital wastes;
 - d. Roads and streets, other than roads falling under the jurisdiction of, and maintained by, the district government, or provincial government and streets maintained by the Neighborhood Council or Village Council;
 - e. Traffic planning, engineering and management including traffic signaling systems, signs on roads, street markings, parking places, transport stations, stops, stands and terminals;
 - f. Street lighting;
 - g. Disaster and Emergency Management including Firefighting.
 - h. Maintenance and development of Parks, playgrounds, open spaces and arboriculture;
 - i. Maintenance and development of Slaughter houses.
2. Maintain a comprehensive database and information system on services in the tehsil municipal records and archives and provide public access to it on nominal charges.
3. Execute and manage development plans;

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4. Prepare spatial plans for the tehsil or town in collaboration with District, Neighborhood and Village Councils including plans for land use, zoning and functions for which tehsil or town administration is responsible.
5. Formulate strategies for infrastructure development, improvement in delivery of services and implementation of laws in collaboration with the relevant offices.
6. Exercise control over land use, land sub-division, land development and zoning by public and private sectors for any purpose including agriculture, industry, commerce, markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
7. Building control;
8. Develop and manage schemes including site development in collaboration with District Government and Neighborhood and Village Councils, national and international development partners.
9. Maintain municipal records and archives.
10. Any other development activity assigned



SECRETARY

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