

MOST IMMEDIATE



**GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT**

Finance Department, Civil Secretariat, Peshawar

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No.BO.I/FD/5-8/2026-27/Austerity Measures

Dated Peshawar the 22/07/2026

To

- 1) The Additional Chief Secretary (General), Human Resource Management & Administration Department, Khyber Pakhtunkhwa
- 2) The Additional Chief Secretary, P & D Department, Khyber Pakhtunkhwa
- 3) The Senior Member, Board of Revenue, Khyber Pakhtunkhwa.
- 4) The Additional Chief Secretary, Home & Tribal Affairs Department, Khyber Pakhtunkhwa.
- 5) All Administrative Secretaries to Govt. of Khyber Pakhtunkhwa.
- 6) The Principal Secretary to Governor, Khyber Pakhtunkhwa.
- 7) The Principal Secretary to Chief Minister, Khyber Pakhtunkhwa.
- 8) All Divisional Commissioners in Khyber Pakhtunkhwa.
- 9) All Heads of Attached Departments in Khyber Pakhtunkhwa.
- 10) All Heads of Autonomous/Semi-Autonomous Bodies in Khyber Pakhtunkhwa.
- 11) All Deputy Commissioners in Khyber Pakhtunkhwa.
- 12) The Registrar, Peshawar High Court, Khyber Pakhtunkhwa.
- 13) The Secretary, Provincial Assembly, Khyber Pakhtunkhwa, Peshawar
- 14) The Registrar, Khyber Pakhtunkhwa Service Tribunal Peshawar.
- 15) The Secretary, Khyber Pakhtunkhwa Public Service Commission, Peshawar.

Subject: - **ECONOMY/AUSTERITY MEASURES/BUDGET EXECUTION GUIDELINES FOR FINANCIAL YEAR 2026-27**

Dear Sir,

I am directed to refer to the subject noted above and to state that upon approval of Provincial Cabinet in its meeting held on 19th June, 2026 at 11:00 AM, the following guiding principles are issued to ensure fiscal discipline, during **financial year 2026-27**: -

a) There shall be a complete ban on:

- i. Creation of posts excluding Completed Developmental Projects. In case of exigencies, the Chief Minister, Khyber Pakhtunkhwa may relax the ban on case-to-case basis.
- ii. Purchase of Vehicles except Ambulances, Earth moving machinery, Fire Trucks, Tractors, Trucks, Buses, Passenger Vans, Prisoners Vans, Motorcycles, Water Bowser Trucks, Recovery/Rescue Vehicles, Rescue/Life Saving boats, Mobile Laboratory Vehicles. In case of essential requirement, the Chief Minister, Khyber Pakhtunkhwa may relax the ban on case-to-case basis.
- iii. Participation in workshops/seminars and training abroad involving provincial funds (except Member (s) of Provincial Assembly (MPAs) and employees of Provincial Assembly, Khyber Pakhtunkhwa).
- iv. Holding Seminars, Workshops in Five Star Hotels involving provincial funds.
- v. Treatment abroad on Provincial Government's expense.

b) All Administrative Secretaries and Heads of Autonomous/Semi-Autonomous Bodies being Principal Accounting Officers, shall conduct meetings of Departmental Accounts Committee regularly with the number of Departmental Accounts Committee meetings so conducted, so as to ensure internal audit of their respective Departments / Organizations.

c) Expenditure shall be restricted to the funds released and the Principal Accounting Officer shall ensure that no liability is created in anticipation of provision of funds.

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- d) To enhance efficiency in revenue collection, the "Provincial Revenues Review Committee," chaired by the Minister for Finance, shall conduct reviews of all provincial revenue-collecting entities. The Committee will assess performance, recommend structural reforms, define performance indicators, propose legal amendments, and realign procedures to strengthen the overall revenue framework.
- e) Contingent paid/daily wages staff shall be hired during the course of the financial year 2026-27 subject to concurrence of the Finance Department.
- f) No appointment shall be made against leave vacancies without prior approval of Finance Department.
- g) No appointment will be made against vacant posts (except appointment by promotion) without obtaining NOC from Finance Department and concerned Surplus Pool.
- h) Principal Accounting Officers shall ensure that no appointments are made against vacant posts classified as dying cadre. In cases where such appointments have already been made, they shall initiate disciplinary proceedings against the responsible Officers.
- i) No developmental scheme involving creation of posts and purchase of vehicles, machinery & equipment and furniture (Revenue Component), will be considered without prior clearance of Finance Department.
- j) No department shall retain receipts in Bank Accounts. The Departments must remit all Receipts to Provincial Account-I forthwith except where Departments/Facilities have been specifically permitted under some Statute/Act.
- k) Autonomous/Semi-Autonomous Bodies (recipient of GIA) and all MTIs shall share the balances in Reserve Fund with Finance Department on quarterly basis alongwith the Procurement Plan. Release of subsequent quarter's budget shall be subject to submission of reserve funds balances to Finance Department.
- l) All Grants in Aid to Bar Councils and Press Clubs shall be released as per approved criteria. Any fund over and above the approved criteria shall be released with the approval of Chief Minister, Khyber Pakhtunkhwa.
- m) Release of budget allocations for maintenance and repair shall be strictly subject to codal formalities, recommendations of the District Supervisory Committee (Notified by CM Secretariat vide letter No. SO(Dev-III)/CMS/240/Gen/2025 dated 08-03-2025) approval of competent forums i.e. Departmental Sub Committee headed by Administrative Secretary concerned, and issuance of Administrative Approval. The Director General, Monitoring & Evaluation, shall conduct periodic inspections and submit quarterly reports to Planning & Development and Finance Departments to ensure transparency, accountability, and judicious use of public funds.
- n) The Departmental Sub Committee (DSC) shall ensure that all Maintenance & Repair (M&R) works are approved within the allocated budget while adhering to the prevailing rules including B&R Code and fiscal discipline. Nevertheless, where the cost of the unavoidable works exceeds allocations, the Administrative Department shall submit the case to Finance Department for prior concurrence. The Works Departments shall maintain a digital record of all M&R works on an e-portal, including billed amounts, cleared payments, and pending liabilities, with quarterly internal audit reports submitted to the Finance Department.
- o) The advertisement charges allocated under Current Revenue Expenditure shall be utilized on current side only. As regards expenditure on developmental side, necessary provision will be made in the PC-I(s)/Costs Estimate(s) of the concerned scheme(s) whereas the devolved Department's expenditure shall be met out through Account-IV/V, as the case may be, of the district concerned. The Information Department shall maintain complete record of all Government funded advertisements/publications and conduct at least bi-annual reconciliation under intimation to the Finance Department.

- p) All Autonomous/Semi-Autonomous bodies, Medical Teaching Institutions, other Institutions and Authorities under Provincial Government shall adopt these measures within their respective organizations with the approval of their competent forums.
- q) Principal Accounting Officers shall exercise strict control over the use of official vehicles, POL and their maintenance. In line with austerity measures, meetings shall ordinarily be conducted via Zoom or other online platforms to minimize unnecessary movement. Entertainment expenses in official meetings shall be kept to the bare minimum, in strict observance of austerity measures.

2. The above instructions may kindly be adhered to in letter and spirit.

Yours faithfully,

(IMRAN ANWAR)
BUDGET OFFICER-I

Endst: No. and date even:

Copy forwarded for information and necessary action to: -

- 1) The Accountant General, Khyber Pakhtunkhwa, Peshawar.
- 2) All Additional Secretaries, Finance Department.
- 3) PSO to Chief Secretary, Khyber Pakhtunkhwa.
- 4) The Director FMIU, Finance Department with the request to upload it in the Web Portal of Finance Department.
- 5) All Deputy Secretaries in Finance Department.
- 6) All the District Comptroller of Accounts/District Accounts Officers in Khyber Pakhtunkhwa.
- 7) All the Budget/Section Officers, Finance Department, Khyber Pakhtunkhwa.
- 8) Private Secretaries to all Provincial Ministers/Special Assistants/Advisors, Khyber Pakhtunkhwa.
- 9) Private Secretary to Chief Secretary, Khyber Pakhtunkhwa.
- 10) Private Secretaries to Finance Secretary/Special Secretaries (Budget & R&R), Finance Department.

BUDGET OFFICER-I