

EXTRAORDINARY

REGISTERED NO. S-2771



THE BALOCHISTAN GAZETTE

PUBLISHED BY AUTHORITY

NO. 190 QUETTA TUESDAY MAY 23, 2023.

BALOCHISTAN LOCAL COUNCILS (BUDGET) RULES, 2023

GOVERNMENT OF BALOCHISTAN LOCAL GOVERNMENT RURAL DEVELOPMENT AND AGROVILLES DEPARTMENT

(Balochistan Local Government Board)

NOTIFICATION

Dated Quetta, the 23rd May, 2023

No. 1-78/2023 (BLGB) A.O-IV/4559-751. In exercise of the power conferred by Section 141 of the Balochistan Local Government Act, 2010 (V of 2010) the Government of Balochistan is pleased to make the Balochistan Local Councils (Budget) Rules, 2023 and to promulgate the following Rules:-

1. **Short title, commencement and application:** (1) These rules may be called the Balochistan Local Councils (Budget) Rules, 2022.
 - (2) They shall come into force at once.
 - (3) They shall apply to all the local councils in Balochistan.
2. **Definitions:** (1) In these rules, unless there is anything repugnant in the subject or context:
 - (a) **"Act"** means the Balochistan Local Government Act, 2010 (Act No. V of 2010) and subsequent amendments including but not limited to The Balochistan Local Government (Amendment) Act, 2022 Act No. XXIII of 2022
 - (b) **"Actuals"** means the actual figures of receipts or expenditure relating to a financial year, duly reconciled with Finance Department;
 - (c) **"Annual Budget Statement"** means a statement showing of the estimated receipts, distinguished between revenue receipts and capital receipts, in the local fund, of the local council and the estimated expenditure therefrom, for a financial period covered under the budget, required to be laid before the Council before the commencement of that year;
 - (d) **"Annual Development Plan"** 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 projects in the budget for a financial year;
 - (e) **"Appropriation"** means the amount provided in the budget estimates against a detailed object or part of amount, placed at the disposal of the disbursing officer to meet expenditure for a specific purpose or on a specific item;
 - (f) **"Authority"** means an Authority empowered under section-100 of the Act for sanctioning of the budget of a local council;
 - (g) **"Board"** means as inserted under (ii-a) through Balochistan Local Government (Amendment) Act, 2022 Act No. XXIII of 2022
 - (h) **"Budget"** means a statement of estimated receipts and expenditure of the local council for a financial period;

- (i) **"Budget Calendar"** means a list and timeline of budget activities to be carried out during a financial year for the preparation of the budget for the ensuing financial year given in Second Schedule;
- (j) **"Budget Period or Financial Period"** means the period of one year from 1st July to 30th June (both days Inclusive) or an interim period other than a complete one year, as decided by the Government in a particular case;
- (k) **"Budget scrutiny committee of the division"** means the committee created to review the Local Council budget as prescribed under the amendment of Section 70 under The Balochistan Local Government (Amendment) Act, 2022 Act no. XXIII of 2022. The committee shall consist of Divisional Director Local Councils, Secretary of the Local Council concerned, Deputy Director (Admin) Local Councils, Director (Tech) Local Councils, an Assistant Director (B&A) and any co-opted member. Provided that the Chairman of the Budget Committee shall be the Divisional Director Local Council and Deputy Director (Admin) shall be its ex-officio Secretary.
- (l) **"Capital expenditure"** within the meaning of assets, means the expenditure on assets with useful life of more than one year and, within the meaning of liabilities, means expenditure on repayment of loans and advances, and includes:
- (i) acquisition, enhancement or improvement of physical assets;
 - (ii) investments and deposits;
 - (iii) execution of works including construction of building, roads, structures etc.; and
 - (iv) principal repayment of loans and advances.
- (m) **"Capital Receipts"** mean the receipts from sources other than revenue and include;
- (i) proceeds from disposal of capital assets;
 - (ii) sale of investments;
 - (iii) loans; and
 - (iv) advances and deposits.
- (n) **"Charged expenditure"** or "Expenditure Charged upon the Local Fund" means the expenditure specified in section 98 of the Act and is not subject to vote of the local council;

- (o) **"Collecting Office"** means the Office responsible for estimation and realization of the receipts and income of the Local Council and includes all Heads of Offices designated as such by the Principal Accounting Officer. For the purposes of these Rules, wherever the word "Collecting Office" is used, it may be read as Collecting Wing/Section/Branch/Officer.
- (p) **"Current Expenditure"** means the expenditure other than the development expenditure;
- (q) **"Demand for Grant"** means the proposal made to the Council on the recommendation of the Mayor or Chairman for allocation of a certain sum out of the local fund, in a financial year; and on its approval by the Council and sanction by the authority, it forms part of the schedule of authorized expenditure;
- (r) **"Development Expenditure"** means any expenditure related to Annual Development Plan;
- (s) **"Drawing and Disbursing officer"** means an officer, designated as such by the Principal Accounting Officer, to prepare estimates of expenditure, to incur expenditure and to make disbursement of amount withdrawn in respect of the local council and designated as such by the principal accounting officer;
- (t) **"Forms"** means the Forms given in First Schedule;
- (u) **"Function"** means one of the elements of Chart of Accounts, issued by Auditor General of Pakistan, providing information on a particular economic activity;
- (v) **"Grant"** means the amount granted by the Council on a demand for grant and forms part of the schedule of authorized expenditure when sanctioned by the authority;
- (w) **"Head of Branch"** mean the Head of Branches of the respective Local Council Branches such as Taxation or Finance and Accounts Branch and includes any branch established by the Government for the Metropolitan Corporation, a Municipal Corporation, Municipal Committee or District Council. For the purposes of these Rules, wherever the word "Branches" is used, it may be read as Office/Wing/Section;

- (x) "**Council**" means the elected body of the local council;
- (y) "**Local Council**" means as defined under Section 7 of The Balochistan Local Government (Amendment) Act, 2022 Act no. XXIII of 2022. Act;
- (z) "**Local Council Accounts Office/Officer**" means an office/Officer within the respective Local Council responsible for managing the Accounts of a Local Council or any respective local council officer in charge of a Local Council or any other officer responsible, as the case may be;
- (aa) "**Local Council Finance Office/Officer**" means an office/officer within the respective Local Council responsible for managing the Finances of a Local Council or any respective local council officer in charge of a Local council or any other respective officer responsible, as the case may be;
- (bb) "**Local Fund Accounts Officer**" for the purposes of these Rules means an officer of Balochistan Local Fund Accounts Department responsible for the pre-audit of payments, maintenance of accounts, and internal audit of the local councils;
- (cc) "**Local Council Accounts Committee**" means Accounts Committee for the respective Council(s).
- (dd) "**Object**" means one of the elements of Chart of Accounts used to classify the type of expenditure such as salaries, travel, transport;
- (ee) "**Principal Accounting Officer**" means the Chief Officer of the local council responsible for preparation of the budget of receipts and expenditure, collection of revenues, utilization of budget and maintenance of departmental accounts in the prescribed manner and is accountable to Local Councils Accounts Committee in respect of financial and budgetary matters of the local council;
- (ff) "**Public Account**" means as defined under Section 96 sub section 3 of the Act;
- (gg) "**Re-appropriation**" means transfer of savings of one or more units of appropriation to meet excess expenditure anticipated under another unit provided the receiving object has been funded in the budget estimates
- (hh) "**Receipts**" means the cash collected by the local council whether in the shape of revenue, transfers, recoveries of assets or in shape of liabilities;

meetings of respective Accounts Committee. The Principal Accounting Officer shall regularly hold meetings of Departmental Accounts Committee as Chairperson, to watch the processing of Audit & Inspection Reports and decide upon appropriate measures so as to aid and accelerate the process of finalization of audit reports.

- (e) **Coordination and Scrutiny of Budget: Expenditure and Receipts:** Principal Accounting Officer shall undertake coordination and internal scrutiny of budget estimates of expenditure as well as receipts and Schedule of New Expenditure proposals in accordance with the Budget Call Circular and proposals for additional funds to be met out of Supplementary Grant.
- (f) **Consolidation of Annual Development Plan:** Principal Accounting Officer shall ensure consolidation of Annual Development Plan so that the development projects of the department are prepared in accordance with the prescribed procedure and instructions under his supervision.
- (g) **Internal Control:** Principal Accounting Officer shall be responsible for observance of Internal Control in the Local Council for preventing irregularities, waste and fraud, and shall exercise internal checks as follows:
 - (i) Rules on handling and custody of cash are properly understood and applied.
 - (ii) An effective system of internal checks exists for securing regularity and propriety in various transactions including receipt and issue of stores, if any; and
 - (iii) A satisfactory arrangement exists for systematic and proper maintenance of Accounts Books and other ancillary records concerned with the Initial Accounts.

He/She shall be responsible for coordination of the budgetary process, consolidation and preparation of budget documents and management of receipt and expenditure of the local council.

Responsibilities of Head of Finance and Accounts Branch:

- (1) Head of Finance and Accounts branch shall:

- (a) issue the budget call letter with the approval of the Chief Officer containing:
 - (i) date-wise budget calendar;
 - (ii) instructions for preparation of the budget; and
 - (iii) forms to be used in the preparation of the budget.
- (b) provide figures of the available resources to the offices for formulation of estimates in respect of their offices;
- (c) examine and scrutinize the budget proposals;
- (d) examine and scrutinize new expenditure;
- (e) compile and consolidate the budget;
- (f) communicate grants to the drawing and disbursing officers;
- (g) examine and scrutinize the proposals for re-appropriation and supplementary grants;
- (h) provide financial information to the local council;
- (i) submit reports on budgetary performance targets;
- (j) monitor receipts and expenditure of the local council; and
- (k) exercise such other functions as are incidental to the budgetary process.

7. Responsibilities of the Head of Taxation Branch:

He/She shall:

- (a) prepare estimates of receipts for each head of income and timely submission to the head of finance office;
- (b) make assessment of tax, fee or levy by the local council, on periodical basis, for evaluating its potential and new tax proposals;
- (c) maintain the demand and collection register of each head of income and shall ensure for proper custody of departmental receipts record.
- (d) ensure timely recoveries against each demand;
- (e) ensure that the revenue collected against a demand is credited in the local fund immediately and necessary entries are made in the demand and collection register;

Explanation: The average growth rates or trends of actual receipts should be used as a guide only for the fact that circumstances may change which may not help in preparing accurate estimates.

(3) The Collecting Office shall prepare revised budget by taking into consideration the actual receipts till date, reasons for shortfall, if any, and its likely coverage by the end of the financial year and the trend of actual receipts of the differential period during the previous year.

Explanation: For the purpose of revised budget, the Collecting Office may use trend of actual receipts of first eight months of current financial year and last four months of the previous financial year, to determine the budget-actual gap of revenue collection.

(4) All material reasons, facts and circumstances relied upon while adopting the figures for the revised estimates of the current financial year and budget estimates for the coming financial year shall be recorded clearly.

(5) The budget estimates shall include revenue from all sources including fiscal transfers from provincial government.

(6) The Collecting office shall, while preparing estimates of receipts, be guided by the following principles;

- (a) the estimates of receipts shall be prepared diligently and accurately keeping in view the key performance indicators;

Note: No fresh receipts on account of any tax fee, rate, charge etc. shall be included in the receipt estimates until such levy is approved by the Government and proposed by the Council and duly notified in official gazette.

- (b) the receipts shall cover all sources including fiscal transfers from the Government;
- (c) the share of the local council from Balochistan Local Council Grant Committee's award, grant or contribution shall not be included in the estimates of receipts until a definite communication is received in this regard;

15. Revenue base review: (1) *To ascertain the revenue potential, the local council shall conduct a review of the tax base and the required information shall be prepared in Form BR-2.*

(2) *The tax base of the Councils shall be processed in accordance with section 114 of the Act.*

(3) The time frame specified in the budget calendar shall be followed for purposes of finalizing the taxation proposals.

16. Scrutiny and Consolidation of the Estimates: (1) On receiving the estimates of receipts from the Collecting Office, each Head of Branch shall finalize and consolidate the figures furnished by the Collecting Office.

(2) Each Head of Branch shall prepare a note explaining any differences between:

- (a) the revised estimates proposed for the current financial year and the original budget estimates for the current financial year; and
- (b) the budget estimates proposed for the next financial year.

(3) Each head of Branch shall forward a copy of the receipt estimates and the explanatory notes to the head of Accounts Branch.

17. Consolidation by the Head of Taxation Branch: On receiving the estimates of receipts from the relevant Head of Branches, the Chief Officer shall consolidate the estimates, incorporate in the budget documents and forward the same to the Mayor or Chairman for finalization prior to their submission to the Council.

18. Prohibition-diverted Capital receipts. - Except with the sanction of the Government no capital receipt shall be diverted to meet expenditure on revenue account.

19. Earmarking of receipts on Government instructions A Council may, and if required by Government, shall earmark any receipts for expenditure on specified items, and if any items are earmarked, the receipts therefor shall not be diverted to meet expenditure on any items other than the items for which such receipts are earmarked.

20. Earmarking of revenue income for development expenditure A Council may, from time to time, fix the percentage of the revenue income which shall be earmarked for development, and the allocation out of the revenue income for development expenditure shall not fall below such percentage.

CHAPTER-V**ESTIMATES OF CURRENT EXPENDITURE**

21. Preparation of estimates of the current expenditure: (1) The estimates of the current expenditure shall be prepared by the Drawing and Disbursing officer(s) in accordance with the Budget calendar.

(2) The current budget estimates shall be prepared in Forms **BR-3 to BR-5**

22. Instructions for preparation of estimates of the current expenditure:

The following principles shall be observed while preparing the estimates of the current Expenditure:

- (a) the estimates of expenditure shall be prepared diligently and accurately keeping in view the key performance indicators;
- (b) while preparing the revised estimates, the drawing and disbursing officer shall take into consideration the actual expenditure available for the latest period of the financial year and include actual figures of the corresponding period of the previous financial year;
- (c) all material reasons, facts and circumstances relied upon in adopting figures for the revised estimates for the current financial year and annual budget estimates for the next financial year shall be recorded clearly;
- (d) provision for any foreseeable expenditure shall be included therein;
- (e) each provision is restricted to the absolute minimum necessary sum;
- (f) the estimates for each financial year shall provide only such expenditure as are to be actually incurred during the next financial year;
- (g) where the local Council or the Government specifies minimum ratio for development and non-development expenditure or for any other object of expenditure, the prescribed constraint shall be observed in the estimates of the current expenditure;
- (h) the rise in current expenditure shall be proportionate to the rise in revenue receipts and no deficit or debt shall be included in the estimates;
- (i) adequate provisions shall be made for all items of the charged expenditure;

- (j) no provision shall be made for the post which is not included in the schedule of establishment approved by the government;
- (k) the budget may include provision for honoraria and allowances, prescribed by the Government, for the Mayor, Deputy Mayor, Chairman or Vice Chairman of the local council;
- (l) the calculation of salaries of the employees shall be made as per emoluments of sanctioned posts in Form **BR-4** and retained by the office; and
- (m) the allowances of the employees shall be calculated as per their entitlement in Form **BR-4** and retained by the office.
- (n) The revised budget of the ongoing financial year shall be based on the trend of actual expenditure till date, the request for re-appropriations received, the amount of budget surrendered and the amount of expenditure likely to be incurred by the end of the financial year.

Explanation: For the purpose of preparing revised estimates the actual expenditure during the first eight months of the current financial year and last four months of the corresponding financial year may be considered as a guide to ascertain ratio of budget-actual trend.

- (o) No revision shall be made in the budget estimates after the deadline defined in the budget calendar.

23. Balance, deficit budget. - (1) The surplus potential of the council for a year shall be the excess of revenue income over revenue expenditure, and where there is no surplus potential, the budget will be in deficit.

(2) The budget of a council shall, as far as possible, be balanced and the revenue and development expenditure shall not exceed the revenue and capital receipts of the council, but where a deficit budget is unavoidable, the fact shall be brought to the notice of the Government by the 1st day of May each year.

(3) Where the Revenue Budget of a council cannot be balanced, Government may direct a special study of the finances of the council and, as a consequence of such study, require the council to take such action for the improvement of its finances as may be specified.

(4) In case a deficit budget is inevitable, the necessity to incur expenditure above the resources and source of financing the deficit along with cost of financing shall be included in the budget documents.

24. Submission of estimates of expenditure by the drawing and disbursing officer: After completing the estimates of the current expenditure, the drawing and disbursing officer shall retain one copy for his record and forward the original to the head of offices with his explanatory note in Form BR-6 indicating the reasons for the proposals.

25. Heads of Branches to consolidate estimates of expenditure: (1) Each Branch of office shall prepare a note explaining any differences between:

- (a) the revised estimates proposed for the current financial year and the original budget estimates for the current financial year; and
- (b) the budget estimates proposed for the next financial year.

(2) The head of office shall forward a copy of the estimates and the explanatory notes to the head of accounts office.

26. Consolidation by the Accounts Branch: (1) The head of Accounts Branch shall consolidate the estimates received from the heads of other branches.

(2) The estimates shall form part of the budget documents and shall be forwarded to the Mayor or Chairman, through the Chief Officer for finalization prior to their submission to the Council.

(3) The current expenditure shall also include new expenditure in a separate statement.

27. Other statements: The details of the budget shall include:

- (a) statement of investment in Form **BR-7**;
- (b) statement of outstanding loans, arrears and liabilities in Form **BR-8**.

28. Conditional Grants: All conditional grants shall be budgeted and utilized in accordance with the conditions of the grant.

CHAPTER-VI

NEW EXPENDITURE (CURRENT BUDGET)

29. **Schedule (Statement) of New Expenditure:** (1) The expenditure on new activities shall include;

- (a) expenditure on establishment and operations charges as a consequence of new services added due to completion of development projects or expansion, re-organization or addition to existing services.
- (b) purchase of new durable items as needed;
- (c) expenditure on grants and contributions to be made for the first time; and
- (d) Any other expenditure which is declared by Government to be New Expenditure for the purposes of these rules.

30. **Proposals for new Current Expenditure:** (1) Each drawing and disbursing officer shall, for next financial year, send to the head of offices all proposals involving new current expenditure along with their estimates in Forms BR-5.

(a) An explanatory note justifying the new proposals shall be added in Form BR-5.

(b) The details of the recurring expenditure of the development projects to be completed during a budget year shall also be communicated by the drawing and disbursing officer to the concerned head of offices.

31. **Schedule of new expenditure:** (1) The drawing and disbursing officer, while preparing any proposal for the new current expenditure shall ensure that:

- (a) all proposals specify the:
 - (i) number of required personnel;
 - (ii) rates of remuneration (pay and allowances) of each personnel;
 - (iii) the duration of employment of proposed personnel; and
 - (iv) the posts sanctioned in the schedule of establishment;
- (b) all relevant revenue implications have been described, quantified and included in the estimates of receipts; and
- (c) the details of expenditure on purchase of durable goods

have been specified.

- (2) The drawing and disbursing officers shall forward the estimates of new expenditure separately to the head of offices along with the current budget.
- (3) The drawing and disbursing officers shall ensure timely submission of the schedule of new expenditure in accordance with the budget calendar.

32. Scrutiny of Schedule of New Expenditure: (1) All items of the new expenditure shall be scrutinized, with due care, before they are included in the schedule of new expenditure.

(2) In scrutinizing such items, the following principles shall be kept in view:

- (a) the schedule of new expenditure pertains to the functions of the local council, is beneficial to the majority of public of the area and additional liabilities have been avoided;

the proposal for new expenditure has been formulated on the basis of priority after taking stock of the overall requirements of the local council;

- (b) preference has been given to development requirements; and
- (c) new expenditure on current account, as far as possible, has been kept at the minimum possible level,

CHAPTER-VII

DEVELOPMENT BUDGET

33. Annual Development Plan: (1) The Annual Development Plan shall consist of ongoing development projects and new development projects including Community co-sharing projects as well Public Private Partnership project duly approved by the Council for execution during the next financial year.

(2) The Annual Development Plan shall classify the projects by sector, function and geographic location.

(3) Where an Annual Development Plan has been sanctioned, development expenditure shall be provided in accordance with the provisions of the Development Plan and no development expenditure shall be provided in the Budget which is not provided in the Annual Development Plan.

- (4) The policies and priorities of Annual Development Plan will not to be inconsistent with provincial sector policies and priorities.

Provided that a council, with the prior approval of the competent authority, may include a project of emergent nature in the development plan upon the availability of additional resources as determined or as foreseen. No new projects may be introduced by diminishing or squeezing the amount allocated to another development project, already included in the development plan, unless due to unavoidable circumstances the amount is surrendered and re-appropriated to a new project.

Provided further that a Local Council, subject to the approval of the Local Government Board, may engage Registered Community Based Organizations (CBOs)/Community Institutions (Cis) in its local area development or execute such projects funded by the Donor Organizations/Agencies.

34. Prioritization of the Development Projects: (1) The relevant office shall prioritize those projects for approval which clearly indicate the number and types of beneficiaries, including women and marginalized groups belonging to the area where the project is to be executed.

- (2) The project proposal shall be forwarded for approval by the local council development committee in Forms **BR-9 to BR-11**.

35. New development projects: (1) A new development project shall be prepared in Form BR-11

- (2) The new Development Project will be processed as follows;
- (a) identification of the development project;
 - (b) project outline;
 - (c) for complex projects, feasibility study / report to assess technical / economic / financial or any other required information as the case may be;
 - (d) rough cost estimates and administrative approval; and
 - (e) approval by the Council.

36. Funding for the Annual Development Plan: (1) The main source of funding of a new development project shall be:

- (a) total receipts of the local council, including own source revenue and

36. **Development projects** - (a) Development projects shall have less dependent expenditure on other departments of the development projects and other activities.

- (b) development grants from the Government,
- (c) development grants or donation received by the local council from other sources,
- (d) income from the sale of the assets owned by the council
- (e) based on the grant/ contribution from the development project from capital resource.

(2) The Annual Development Plan shall represent the major development projects.

(3) The annual development program shall give due attention to gender mainstreaming, marginalized communities and regional rural.

37. **Completion of project** - On the completion of development project, the project completion certificate shall be provided to the engineer-in-charge to municipal infrastructure office.

38. **Operational and maintenance cost** - The operational and maintenance cost of the completed development project shall be worked out and included in the current budget estimates.

39. **Prohibition for lump-sum provision without supporting document** - No lump-sum provision for details work shall be included in the budget if the estimates, nor shall any provision be made for an item which cannot be classified.

40. **Monitoring of the development projects** - (1) The expenditure expenditure shall be incurred only on the development projects subject to administrative approval and technical sanction for works and the inclusion of the project in the approved budget. The executive Engineer shall ensure that development projects are administratively and technically approved both in accordance with the rules of instructions relevant to the executing agency.

(2) The monitoring of projects shall be made by the community and elected representatives using participatory monitoring and evaluation approach. The targets and indicators duly segregated shall be indicated gender-wise.

(3) For the development projects under execution, the executing agency shall send a monthly progress report to Chief Officer of each succeeding month and, for the projects in distant areas, pictorial data shall also be provided.

(4) Such reports, where possible, shall also include the segregated data in respect of gender and marginalized groups for facilitating planning and execution of the development activities conducive to female and marginalized groups.

41. Budget to be scrutinized by Divisional Directorate of Local Council:

Budget shall be scrutinized by Budget Scrutiny Committee at the Divisional level as provided under amendment to Section 70 of the Local Government (Amendment) Act, 2022.

CHAPTER-VIII

APPROVAL OF THE BUDGET

42. Presentation of the Budget to the Council: (1) Before the commencement of the next financial year, the Mayor or Chairman shall present the budget for consideration and approval of the Council.

(2) The budget shall be prepared in the Form and manner prescribed in these rules

(3) The budget documents shall include:

- (a) budget speech of the Mayor or Chairman;
- (b) salient features of the budget
- (d) annual budget statement;
- (f) Annual Development Plan;
- (g) supplementary budget statement; and
- (h) excess budget statement.

(4) The budget speech of the Mayor or Chairman shall include the main features of the budget, brief about performance targets and status of service delivery facilities and targets achieved;

(5) The budget shall provide a brief description of the main features of each office and shall include performance targets, service delivery facilities, policies and plans of the various offices;

(6) The annual budget statement shall be submitted in Form **BR-12** and shall include the details of receipts and expenditure and the following information shall be included in the annual budget statement.

- (a) financial abstract;
- (b) details of receipts;
- (c) details of the current expenditure, function-wise and object-wise; and
- (d) development expenditure,

(7) The estimates of receipts shall be prepared and consolidated in Forms **BR-1 to BR-2**.

(8) The demand for grants for the current expenditure shall include estimates of the total current expenditure and shall be prepared in Forms **BR-9**.

(9) The schedule of new expenditure shall include:

- (a) separate estimates of the new expenditure relating to the current budget; and
- (b) the schedules and explanatory notes relating to the statement of new expenditure in Forms **BR-9**.

(10) The local council may devise any other Forms for providing additional budgetary information.

(11) The demands for grants and appropriation for development shall include the estimates of the ongoing and new development projects and the details shall be provided in Forms **BR- 9**.

43. Approval of Budget: (1) The Council may approve the budget estimates subject to:

- (a) the scrutiny of receipts and expenditure; and
- (b) examination of new proposals, if any, for taxation.

(2) A demand for grant shall not be made except on the recommendation of the Mayor or the Chairman.

(3) The budget shall not be approved by the Council if:

- (a) the estimates of charged expenditure are not provided";
- (b) the estimated sums required to meet the estimated expenditure

including previous liabilities and commitments exceed the estimated receipts and there is a likelihood of incurring debt;

- (c) lump sum provisions are made in the budget and details cannot be explained; and
- (d) the budget falls below the budgetary constraints, if any, prescribed by the Government.

(4) The Council may discuss the charged expenditure but shall not vote on such expenditure.

(5) The budget may include provision for honoraria and allowances, prescribed by the Government for the Mayor, Deputy Mayor, Chairman and Vice Chairman of the local council.

(6) The budget of the local Council shall, subject to quorum, be approved by a simple majority and the Council shall not take up any other business during the budget session.

44. Technical Scrutiny of the Budget: (1) A Local Council shall prepare its Budget in the prescribed manner and forward it to the Office concerned in the following manner:

- (i) A Union Council to the District Office for Technical Scrutiny
- (ii) An Urban Union Council, a District Council, a Municipal Committee, a Municipal Corporation, Town Municipal Corporation and Metropolitan Corporation to office of the Divisional Director Local Councils for Technical Scrutiny; and

Provided that the Budgets of Local Councils shall be passed and approved by the respective Local Councils after technical scrutiny from the Local Council's respective offices

Provided further that in the absence of an elected Council, the Budget of the Local Council concerned shall be passed by the Board in the manner as prescribed.

Provided also that in case of non-preparation of a budget before the commencement of a Financial Year, the Budget for that Local Council shall be prepared and approved by the Board as prescribed.

45. Forwarding a copy of the Budget to Authority /Government: (1) The Mayor or Chairman, as the case may be, shall forward a copy of the budget as approved by the council, to the Authority/Government within seven days of its approval for consideration/sanction under Section 100 of the Act and as amended under Balochistan Local Government (Amendment) Act, 2022.

(2) If for any unavoidable circumstances the budget cannot be forwarded to the Authority within the stipulated period of seven days, the council may apply for extension of time as may be necessary.

(3) The Mayor or Chairman of the Council, as the case may be, shall authenticate under his signature, the budget as approved in original or as amended

46. Action on receipt of modifications made by the Authority: On receiving an order of modification under Section 100 of the Act, as amended under Balochistan Local Government (Amendment) Act 2022, the Mayor or Chairman, as the case may be, shall amend the budget in accordance with such order and authenticate under his/her signatures on a copy of the Budget so amended, and the budget thus authenticated shall be the authorized budget.

47. Consideration of observations made by the Authority after authentication: If any observations are received from the Authority after the budget has been authenticated under section 46 the council shall consider such observations and may take such action as it deems necessary.

48. Budget not Approved Before Commencement of Financial Year:

- (a) the local council shall spend money under various objects, on pro-rata basis, in accordance with the budgetary provisions of preceding financial year for a period not exceeding thirty days; and
- (b) in such a case, the local council shall not spend funds or make commitments for any expenditure, under any demand for grant or appropriation in excess of eight percent of the amount budgeted in the preceding year within that period of thirty days.
- (c) In case the local council fails to approve the budget within the extended period, the Government shall prepare, approve and authenticate the budget for full financial year.

49. Schedule of authorized expenditure: (1) On sanction of the Budget by the authority, the head of accounts branch shall:

- (a) prepare a schedule of authorized expenditure in the shape of annual budget statement indicating:
 - (i) the grants made or deemed to have been made by the Council; and
 - (ii) the sums required to meet the expenditure charged on the local fund; and
 - (b) submit it to the Mayor or the Chairman through the Chief Officer for authentication.
- (2) The authenticated schedule shall be communicated to all the concerned Branches including head of accounts office and the Government.
- (3) The schedule of authorized expenditure shall lapse at the end of the financial year to which it relates.
- 50. Revised Budget:** (1) The local council, if necessary, may revise the budget for the financial year.
- (2) The revised budget estimates shall be based on the excess and surrender statement.
- (3) The revised budget shall be processed in the same form and manner as is prescribed for the annual budget.

CHAPTER-IX

EXPENDITURE MANAGEMENT

- 51. Responsibilities of the functionaries:** (1) The drawing and disbursing officer shall be responsible for:
- (a) incurring expenditure against the funds allotted;
 - (b) ensuring incurrence of the expenditure:
 - (i) against a validly accrued claim;
 - (ii) with the sanction of authority competent to sanction it;
 - (iii) charged against the relevant object code with adequate appropriation;
 - (iv) in a transparent, economical and efficient manner at competitive rates which brings value for money;
 - (c) keeping the total expenditure within the grant;

- (d) informing the concerned head of offices the extent of
 - (i) actual spending from the grant at his disposal;
 - (ii) commitments made but not paid for against such grant; and
 - (iii) the expenditure likely to be incurred during the remaining period of the financial year.
- (2) Each head of offices shall be responsible to;
 - (a) control and manage expenditure from the grants placed at his disposal;
 - (b) ensure that the authorized budget allocation is expended in conformity with the schedule of authorized expenditure;
 - (c) ensure effective utilization appropriations;
 - (d) ensure that no expenditure is incurred without budgetary provision and sanction of the competent authority; and
 - (e) review the trend of excessive expenditure, if any, and take necessary measures to meet the excessive requirements either through re-appropriation or supplementary grant or both.
- (3) The head of accounts office shall:
 - (a) coordinate the budgetary process;
 - (b) consolidate and prepare budget documents for approval; and
 - (c) manage and monitor expenditure.
- (4) The Chief Officer shall:
 - (a) develop effective means to implement the budget as approved by the Council;
 - (b) ensure that authorized budgetary allocation is expended in conformity with the schedule of authorized expenditure;
 - (c) recommend the Mayor or the Chairman to get the budget revised from the Council in accordance with the provisions of the rules; and
 - (d) ensure that no expenditure is incurred without budgetary provision and sanction of the competent authority.
- (5) The Mayor or Chairman may recommend the necessary reduction in case of lower than expected receipts in respect of any one or more heads of

expenditure.

(6) The recommendations of the Mayor or Chairman shall be placed before the Council for approval.

(7) In case the receipts exceed the estimates or additional grants are received, a revised budget may be presented in the Council for approval for the utilization of the additional funds.

52. Excess Expenditure: (1) In case, the expenditure is incurred in excess of the approved grant, the head of offices shall take immediate steps to curtail the excess expenditure by:

- (a) exercising strict control over the grant; or
 - (b) transferring funds through re-appropriation.
- (2) If funds cannot be provided through re-appropriation, a proposal for a supplementary grant may be submitted to the Council for approval before the additional expenditure is incurred.

53. Statement of Excess and Surrender: (1) The statement of excess and surrender shall be prepared by the head of offices after the first eight months of the financial year on the basis of information given by the concerned drawing and disbursing officer.

(2) The statement of excess and surrender shall be prepared and submitted by the heads of offices to the head of the accounts branch.

(3) The statement of excess and surrender shall be completed on the basis of actual expenditure incurred during the first eight months of the financial year and the foreseen expenditure expected to be incurred or not incurred by the end of the financial period:

(4) When, owing to unforeseen causes or due to change in circumstances or for any reasons not in the control of the head of branches, an amount of appropriation cannot be utilized in part or in full, that amount shall be surrendered along with reasons to be recorded for inability of the branch to utilize the amount as budgeted.

Provided that the head of branch may request the accounts branch for inclusion of the surrendered amount in the budget grants of the following year.

(5) The accounts branch may include the demand for inclusion of surrendered amount in the demand for grants of the following year after ensuring that the amount was surrendered on account of inability of the branch to make the

expenditure for reasons beyond their control and was not merely due to over budgeting.

(6) No amount, which was surrendered and not included in the budget grants of the following year, shall be revalidated during the ensuing financial year.

(7) The excess and surrender statement shall form the basis of:

- (a) preparing the revised estimates;
- (b) formulating the demands for additional funds through supplementary grant;
- (c) preparing next financial year's budget estimates; and
- (d) determining the estimated closing balance of the local fund as on June 30 of that year or period.

(8) The heads of offices shall submit together with the statement of excess and surrender a note explaining reasons for the excess and surrender.

(9) The head of Accounts branch shall consolidate the statements of excess and surrender and submit the consolidated statements, with his recommendations, to the Mayor or Chairman, through the Chief Officer, for inclusion in the revised budget.

CHAPTER-X

RE-APPROPRIATIONS AND SUPPLEMENTARY GRANTS

54. Expenditure not provided in the Schedule of Authorized Expenditure: In case of unavoidable and unforeseen circumstances which require incurring the expenditure in excess of the allocations or some expenditure which is not mentioned in the schedule of authorized expenditure, necessary funds for such expenditure may be provided through re-appropriation or supplementary grant or both as in the manner prescribed.

55. Re-appropriation: The local council functionaries shall re-appropriate in accordance with the re-appropriation powers delegated to them by the Council in the manner prescribed.

- (c) **Procedure for Re-Appropriation:** (1) the concerned drawing and disbursing officer may prepare a proposal for re-appropriation and process it through the head of offices. No re-appropriation shall be made from grant to the other.

(3) In case the re-appropriation is beyond the limit set by the Council, it shall require approval of the Council and, for the purpose, the head of offices shall prepare a proposal for re-appropriation of funds and forward it, through the head of accounts branch, to the Chief Officer, Mayor or Chairman for approval of the Council as in the manner prescribed.

56. Supplementary Grant: (1) In case a head of office considers that the need for additional funds for which funds cannot be provided through re-appropriation has arisen, he shall make a proposal for supplementary grant to the head of accounts branch.

(2) The proposal shall be accompanied by an explanatory note justifying the supplementary grant and the source of funding for the purpose.

57. Supplementary Budget Statement: (1) The supplementary grants approved during the financial year shall be consolidated by the head of accounts branch in the form of a supplementary budget statement with his recommendations particularly with regard to the availability of funds.

(2) The form and manner in which the supplementary budget statement is presented to the local council shall be the same as prescribed for the annual budget statement.

58. Distribution and communication of Supplementary Grants: On approval of supplementary budget statement by the Council, a schedule supplementary statement of expenditure shall be submitted to the Mayor or Chairman for authentication and the head of respective Local Council Accounts Office shall distribute the supplementary grants to the respective Head of office and communicate the break-up of the grants to the drawing and disbursing officers and the respective Local Council Accounts Office/Officer.

CHAPTER-XI

RECEIPTS MANAGEMENT

59. Receipts management: (1) The Collecting Office/Branch/Wing/Section/ Officer shall ensure that all the revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

(2) The Head of Office shall monitor, control and supervise the Collecting Officers and take corrective measures.

(3) The revised targets of receipts/ if any, shall be communicated by the head of accounts office to the collecting officers and heads of offices.

- (4) All receipts shall be made according to the prescribed rates and schedule of recovery.
- (5) All receipts shall be recorded under the relevant object of receipts in relevant register.
- (6) The head of accounts office shall:
 - (a) coordinate budgetary process;
 - (b) consolidate and prepare budget documents for approval; and
 - (c) manage and monitor receipts.

CHAPTER-XIII

PERFORMANCE TARGETS

60. Performance Targets: (1) To improve efficiency and effectiveness of service delivery, the Mayor or Chairman shall indicate performance targets-along with the

(2) The performance indicators may be provided for inputs, outputs and outcomes.

(3) The performance targets shall be:

- (a) clear, precise and unambiguous;
- (b) relevant and
- (c) verifiable.

CHAPTER-XV

MISCELLANEOUS

61. Interpretation of the rules: In case of any ambiguity or inconsistency arising in the interpretation of provisions of the rules, the decision of the Government shall be final.

62. Repeal: The Balochistan District Government and Tehsil Municipal Administration (Budget) Rules, 2003 are hereby repealed.

BY ORDER OF
GOVERNOR BALOCHISTAN

DOSTAIN KHAN JAMALDINI,
SECRETARY,
LOCAL GOVERNMENT DEPARTMENT

FORM BR-1

Estimates of Receipts (FY 20...)

[See Rule 14]

I. Receipt Category Other Code with Description:

2	3	4	5	6	7	8
Detailed Object of Receipt	Description	Actuals of last year	Budget Estimates of the Current year	Revised Estimates for the current year	Budget Estimates for next year	Brief Description of nature and potential of receipts
	Own Source Receipts (These are just suggestive Heads)					
	Rent of Properties					
	Hire Charges (Maximum based on Govt. of Punjab)					
	Fine & Penalties					
	Sanitation Fee					
	Map Fee (Building Control Section)					
	Shanghai House fee					
	Birth & Death Fees					
	School Fee					
	Reg. Fees					
	Land Fee					
	Physicians					
	Town Parking Cycle, Motor cycle stands etc.					
	License Fee (Bus, Rickshaw, Trade etc)					
	Return of Expenditure (Electric, Solar, etc. etc.)					
	Advertisement Fee (Board, Hoarding, Signage and Banners)					
	Fee for Public works					
	Transfer Fee (Properties)					
	Interest - Profit Banks					
	But Fee (On acquisition of marriage etc.)					
	Road Cutting					
	Fee for SCB regarding Mobile Towers					
	Service Tax (Insurance of Certificate Fire brigade)					
	Hospital Washing Fee					
	Water Provision charges					
	Entry Fee (By Pass)					
	Nikah Registrar (Nikah Khawan) license fee					
	Library Fee					
	Tax on Transfer of Immovable Property (2% of net)					
	Advance HD A Car Motor cycle license					
	Call Deposit					
	Lease Fee					
	Provincial Government (These are just suggestive Heads)					
	GST Share from Government					
	Grants Release from government					
	Grant in Aid for Purchase of Machinery					
	Grant for Street Lighting					
	Grant (Bus Gas) For one time deadweight					
	Funds for newly added Union Councils					
	Special Funds for Repair and Maintenance of Road					
	Death Compensation grant					
	Funds from Government for Metropolitan Development Funds					
	Grant for Solid Waste Collection					
	Special Fund for Sanitation					
	Grant for Purchase of machinery - Smokeless Fire Vehicle & Fire					
	Homeless Vehicles					
	Grant from Government for development					
	Equipment improvement of road, drain, purchase, repair of					
	Street Lighting, MCC, slabs etc.					
	Grant for Pension fund					
	PSDP Grant provided by N/A sectors					
Total						

Note: Receipts Collection Officer (RCO) code shall be the same code as allotted to the DDO concerned for the purpose of comparison.

BUDGET CALENDAR - DEVELOPMENT BUDGET

[See Rule 2(1)(b), 5(2)(a)(i), 11(3), 13(3), 17(1) & 26(3)]

1. Processing of Development Projects

Sr.No.	Activity	Target Date	Notes
A	Processing of a Development Project – Government		
1.1	Submission of projects by Council and other Stakeholders etc.		
1.2	Review of proposals by concerned offices		
1.3	Approval of Mayor / Chairman concerned to prepare project proposal		
1.4	Preparation of project proposal by concerned offices		
1.5	Administrative Approval of project proposal by respective Development Committee		
1.6	Preparation of detailed estimates and accordance of Technical sanction		
1.7	Inclusion of Development Projects in Annual Development Programme and submission with Draft Budget		
1.8	Approval of Budget by Council/Council	June	
1.9	Implementation of projects by executing agencies	July	
B	Budget Calendar - Current and Development		Notes
1	Issue Call letter and guidelines to concerned offices	September	
2	Excess and Surrender Statement		
3	Revised Estimates and Supplementary Budget (if required)		
4	Statement of New Expenditure	upto 31 st March	
5	Consolidation of draft Budget (current and Development) for next financial year. Finalization by Mayor / Chairman		
6	The timeframe to be followed for finalizing the taxation proposals is as follows:- i. Inclusion of draft taxation proposal in the draft budget in March. ii. Discussion on taxation proposal by Council in April. iii. Proposal sent to Government for vetting by 1st May after incorporating the decisions of the Council. iv. Proposal published in the newspaper for obtaining public views by 15th May. v. Review by the Government and objections and suggestions from the public, received by 1st June. vi. Taxation proposal included in the budget submitted to the Council for approval.	As mentioned in the Column showing the activities	
7	Submission of draft Budget to Council based on initial estimates as received by the Provincial Government	2nd Week of June	Based on the information regarding estimated transfers from provincial government will be provided by 1st Week of June
8	Review of Draft Budget by Council		Again the basis for these timelines is that Provincial Government provides some estimates to the Local Councils regarding the transfers
9	Input from Government and Public on the proposals agreed by the Council	1st June - 30th June	
10	Revisions and Changes by Head of Offices and Finalization.	1st June - 30th June	
11	Submission of final Budget to Council based on final estimates of receipts provided by Provincial Government	1st June - 30th June	
12	Approval of Final Budget by Council	June	
13	Communication of Current Budget Grants to concerned Offices and Accounts Offices.	July	
14	Final Accounts previous year	October	

FORM BK-11
Project Proposal
[See Rule 34.35]

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 (personal 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 (Geographic Area Covered by the project)
4. Main Sector/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 projects have been taken into account.

Provide detail 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 of work required

V. Community Participation Component in the Project

How was the community (Male and Female) involved in need identification/ preparation of project proposal?

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 Cost/One Time Cost

Yearly recurring cost after completion of project

Salary

Non-Salary

c. Source of funding of recurring cost

Debt Service (Principal & Interest)	0	0	0	0
Debt Service (Interest Only)	0	0	0	0
Debt Service (Principal Only)	0	0	0	0
Debt Service (Interest & Principal)	0	0	0	0
Debt Service (Interest Only)	0	0	0	0
Total Current Expenditure	0	0	0	0
Change in Fund Balance	0	0	0	0

5. ESTIMATES OF EXPENDITURE (BY OBJECT)

CURRENT EXPENDITURE - DEVELOPMENT EXPENDITURE				
Head of Account	Accounts Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next Year)
V-1 Intergovernmental Related Expenses	0	0	0	0
V-2 Project Development Expenses	0	0	0	0
V-3 Operating Expenses	0	0	0	0
V-4 Intergovernmental Related Expenses	0	0	0	0
V-5 Intergovernmental Related Expenses	0	0	0	0
V-6 Intergovernmental Related Expenses	0	0	0	0
V-7 Intergovernmental Related Expenses	0	0	0	0
V-8 Intergovernmental Related Expenses	0	0	0	0
V-9 Intergovernmental Related Expenses	0	0	0	0
V-10 Intergovernmental Related Expenses	0	0	0	0
V-11 Intergovernmental Related Expenses	0	0	0	0
V-12 Intergovernmental Related Expenses	0	0	0	0
V-13 Intergovernmental Related Expenses	0	0	0	0
V-14 Intergovernmental Related Expenses	0	0	0	0
V-15 Intergovernmental Related Expenses	0	0	0	0
V-16 Intergovernmental Related Expenses	0	0	0	0
V-17 Intergovernmental Related Expenses	0	0	0	0
V-18 Intergovernmental Related Expenses	0	0	0	0
V-19 Intergovernmental Related Expenses	0	0	0	0
V-20 Intergovernmental Related Expenses	0	0	0	0
Total	0	0	0	0

6. DETAILS OF PUBLIC ACCOUNT AND DISBURSEMENTS

RECEIPTS				
Head of Account	Accounts Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next Year)
Total				

DISBURSEMENTS				
Head of Account	Accounts Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next Year)
Total				