

EXTRAORDINARY

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BALOCHISTAN LOCAL COUNCILS (FISCAL TRANSFER) 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/4175-367. In exercise of the power conferred by Section 141 read with Section 122 of the Balochistan Local Government Act, 2010 (V of 2010) the Government of Balochistan is pleased to make the Balochistan Local Councils (Fiscal Transfer) Rules, 2023 and to promulgate the following Rules:-

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Chapter-I
Short Title and Definitions

1. Short title and commencement. - (1) These rules may be called the Balochistan Local Government (Fiscal Transfer) Rules, 2022.

(2) They shall come into force at once.

2. Definitions: - (1) In these rules, unless there is anything repugnant in the subject or context, the following expressions shall have the meaning, hereby respectively assigned to them:

- (a) "Act" means The Balochistan Local Government Act, 2010 (Act No. V of 2010) read with Balochistan Local Government (Amendment) Act, 2022;
- (b) "Annual Report" means a report submitted by the Local Councils Finance Commission within the meaning of rule 28 of these rules;
- (c) "Appropriation Account of Local Council" means a statement of expenditures as against original and revised budget allocations and includes re-appropriations, surrenders and withdrawals along with explanatory notes for necessary discharge of information;
- (d) "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;
- (e) "Account" means a repository of Local Council funds in the State Bank of Pakistan or in a Bank approved by the Finance Department, or a Government treasury;
- (f) "Accounts" means a statement of receipt and expenditure on the accounts of a Local Council prepared and maintained in such form and in accordance with such methods and principles as may be prescribed by the Auditor General of Pakistan;
- (g) "Board" means Balochistan Local Government Board constituted under the Act, which shall also work as Secretariat for the Local

- Council Finance Commission as per Rule-3 of these Rules, or Divisional Boards established under the Act;
- (h) "Bank" means the State Bank of Pakistan or any of its offices or branches and includes any other bank acting as an agent of the State Bank of Pakistan or a scheduled bank approved and notified by the Government for collection of Local Council Receipts and Payments and includes a government treasury or a post office where the cash business of the Local Council is not conducted by a bank;
- (i) "Cash Balance" means the aggregate amount held by a local council in its account at a given point in time;
- (j) "Finance Department" means the Finance Department Government of Balochistan;
- (k) "Local Council" means a local council constituted under section 7(1) of the Act;
- (l) "Government" means the Government of Balochistan;
- (m) "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;
- (n) "Local Council Expenditure" means the sum expended by the designated functionaries of a Local Council in the manner prescribed in the financial rules and in accordance with the annual budget, including supplementary budget approved by the Competent Authority as provided under the Act;
- (o) "Local Councils Finance Commission" as defined in the amended Section 120 of the Balochistan Local Government (Amendment) Act, 2022;
- (p) "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:

- (q) "Local Council Revenue Expenditure Statement" means a monthly statement of accounts separately showing the receipts and expenditures of a Local Council, classified in the prescribed manner;
- (r) "Own Source Revenue" means revenues received by a Local Council from the proceeds of taxes or charges levied by Local Council and other proceeds vested in it under the Act;
- (s) "Prescribed" means as prescribed under these rules;
- (t) "Provincial Consolidated Fund" means the Fund described in Article 118 of the Constitution of Islamic Republic of Pakistan, 1973;
- (L) "Principal Accounting Officer" the Chief Officer of a Local Council shall be the Principal Accounting Officer, except in case of Union Council where this function shall be discharged by the Secretary of the Union Council;
- (v) "Reporting Officer" means an officer vested with the responsibility of submitting a report under these rules;
- (w) "Schedule" means a Schedule appended to these rules;
- (x) "the Secretary to the Government" for the purposes of these Rules means Secretary of the Local Government and Rural Development Department;
- (y) "Local Council Finance as Calculated" means the Grant of a Local Council calculated by the Finance Department at the commencement of a Financial Year using the allocable amount based on actual provincial receipts and in accordance with Local Councils Finance Commission recommendations for the time being in force;
- (z) "Local Council Finance as Determined" means the Grant of a Local Council out of estimated provincial receipts for a Financial Year and

determined in accordance with the recommendations of the Local Councils Finance Commission for the time being in force;

(aa) "Transfer" or "Fiscal Transfer" means funds transferred to the account of a Local Council from the account of the Government;

(2) Words and expressions used but not defined in these rules shall have the same meaning as are respectively assigned to them in the Act.

Chapter-II

Secretariat and Intergovernmental fiscal database

3. Secretariat of the Local Councils Finance Commission. - (1) The Balochistan Local Government Board shall, with adequate resources, function as Secretariat of the Local Councils Finance Commission.

(2) The Secretariat shall function under the executive control of the Secretary to Government, who may also act as the Secretary to the Local Councils Finance Commission.

(3) The Secretariat may, with the approval of Secretary, Local Government & Rural Development, hire the services of experts to provide technical expertise to the work of the Local Councils Finance Commission, if required, and they shall form part of the Secretariat for the duration of their assignment.

4. Meetings of the Local Councils Finance Commission. - (1) The Committee shall meet quarterly to discuss the matters, if any, related to fiscal transfers, discrepancies, grievances, or any other relevant issues; provided that if need arises, special meeting of the Committee can be convened.

(2) The Secretary shall issue notice of the meeting in writing not later than seven days before the meeting, except in an emergency meeting, in which case a meeting with shorter notice may be held.

(3) The quorum of the meeting shall not be less than two third of the members of the Local Councils Finance Commission.

(4) The Secretary shall ensure that minutes of meetings are appropriately recorded, signed and circulated not later than fourteen days after the

conclusion of the meeting, failing which the recommendations so made by the Committee shall have no legal effect and the items/issues shall be discussed afresh in the next meeting of the Committee.

5. Functions and duties of the Secretariat. - Without prejudice to any other law as being in force, functions and duties of the Secretariat of the Local Councils Finance Commission shall include;

- a. Preparing technical briefs and providing all necessary documents for the meetings of Local Councils Finance Commission;
- b. Carrying out simulations, evolving of grant distribution and study the differential impact of various options on local council finance;
- c. Maintenance of intergovernmental database, in such forms and of such
- d. Standards, as may be prescribed from time to time;
- e. Carrying out monitoring of receipt of funds by Local Council and by the Government in collaboration with the Finance Department;
- f. Receipt of reports from Local Council in such forms and intervals, as may be prescribed;
- g. Undertaking analysis of Local Council finance;
- h. Preparation and maintenance of relevant data relating to Local Council, as prescribed, or as may be required by the Local Councils Finance Commission;
- i. Evaluation of impact of fiscal transfers on Local Council and other relevant matters;
- j. Commissioning of special research and studies relating to intergovernmental finance;
- k. Preparation of draft Annual Report and its presentation to Local Councils Finance Commission for approval;
- l. Publication of Annual Report, after approval by the Local Councils Finance Commission;
- m. Provision of periodic reports to the Secretary on Local Council finance;
- n. Receive and compile complaints made by the local Council and cause them to be laid before the Local Councils Finance Commission for consideration; and
- o. Any other functions as may be assigned by the Local Councils Finance Commission from time to time.

6. Communication and access to information. - Nothing contained in these rules shall be deemed to impose any limits on the Secretariat to carry out timely communication of any matters relating to fiscal transfers to a Local Council, a Government agency, any person or any citizen in providing access to information in accordance with law.

7. Budget. – The annual budget of the Secretariat shall be prepared as part of the budget estimates of the Board; provided that funds shall be earmarked for undertaking special research and studies relating to Local Government Finance and Intergovernmental Transfers;

8. Intergovernmental Fiscal Database. – (1) An Intergovernmental fiscal database shall be maintained in the Secretariat, subject to the following, in such form and details as may be possible in view of available technological options and data that may be gathered.

(2) The Intergovernmental Fiscal Database shall comprise of and be maintained for data on revenues and expenditures of the local Council under various functions and objects, for all kinds of transfers to Local Council, data pertaining to specific issues peculiar to Local Councils Finance Commission recommendations for the time being in force, or any other data, as otherwise required and listed in Part A of the Second Schedule.

(3) All data shall be updated on a monthly basis, provided that for certain categories a different periodicity may be observed with the permission of the Secretary.

(4) The Database shall be able to generate periodic reports and statements in summary and detail forms fulfilling the requirements of varied stakeholders.

(5) Intergovernmental Database may include, without prejudice to the provisions of sub rule (2) of this rule all elements as described in Part B of the Second Schedule and reports may be provided to the Local Councils Finance Commission for analysis, review, deliberations on Formula options or any other

functions, duties and exercise of powers of the Local Councils Finance Commission;

(6) Data and reports from the intergovernmental fiscal database may be provided to any Local Council, Government agency, person or organization for any academic or other purpose upon request and payment of any fee that may be collected with the express permission of the Finance Department.

(7) Such fees as may be collected in accordance with the provisions of sub-rule (6) of this rule shall be deposited in the Governmental Accounts or a special account authorized by the Finance Department.

Chapter-III

The Method of Transfers

9. Dissemination of Formula. - (1) Upon finalization and notification of respective Local Council Share through Formula by the Local Councils Finance Commission under the provisions of Section 121 (b) of the Act, the Secretariat shall, without any further delays, make all suitable and necessary arrangements for dissemination of the Formula to the concerned Government agencies and local Council in the Province through Form **FTR-1** prescribed in fourth schedule.

(2) Where the Local Councils Finance Commission through distribution of Share to a respective Local Council seeks to achieve specific objectives by the Local Council in terms of section 121 (1) of the Act, the Secretariat shall make special arrangements for dissemination and wider understanding of the conditionality, provisions, incentives and sanctions attached to such transfers as applicable.

10. Notification of Provincial Consolidated Fund and its distribution. - (1) Finance Department shall convey to the Secretariat on monthly basis and Secretariat shall notify the provisional size of the Provincial Allocable Amount in Form **FTR-2**, prescribed in the fourth schedule, in accordance with the Formula of the Local Councils Finance Commission as being in force on monthly basis, based on the estimated revenues of the province, in the last quarter of the preceding financial year.

(2) It shall notify the revised size of the Provincial Allocable Amount for on-going fiscal year as early as possible and such notification shall be based on the revised estimates.

11. Notification of Share to Local Council: (1) Share of the Local Council out of provincial allocable amount for the ensuing fiscal year shall be notified by the secretariat in Form **FTR-3** not later than 31st March of ongoing fiscal year, upon determination in light of the Formula determined by the Local Councils Finance Commission.

(2) Notifications of the Share for the duration of the Formula shall be made in Form **FTR-2** in accordance with the provisional allocable amount of the province computed at the start of each spell of Formula.

(3) Notification of the Share for the ensuing fiscal year shall be made in accordance with the provisional revenues of the province in the month of March.

(4) Share of the local Council shall be notified in the Form prescribed in the Fourth Schedule of these rules.

(5) All notifications under this rule shall be published in the official gazette.

12. Copies of all notifications issued under rule 11(4) shall be provided at the earliest to local Council, members of Local Councils Finance Commission and any other agency as the secretary may direct. -

13. Authorization of transfer. - (1) After due approval, the Finance Department shall authorize transfer of calculated share to each local council for a calendar month in **FTR-4** prescribed in fourth schedule, but not later than the First week of the month.

(2) Authorization shall be communicated to the State Bank of Pakistan or any other authority responsible for transferring the amount to the Local Council. A copy of such Authorization shall be endorsed to concerned Local Council.

14. Transfer of the share as calculated. - (1) Upon receipt of authorization, the authorized share of each Local Council in Form **FTR-5** shall immediately be

transferred by the State Bank of Pakistan to the notified account of respective Local Council.

(2) Upon completion of the transfers by the State Bank of Pakistan, the respective Local Council Accounts Office/Officer shall provide a certificate to the secretariat with details of amounts and dates in the Form **FTR-6** prescribed in fourth schedule on the basis of accounts rendered by the State Bank. A copy of the certificate shall also be provided to the respective Local Council.

(3) The Secretariat shall maintain a Local Council wise reconciliation statement of the amount authorized and transferred to accounts of respective Local Council.

15. Banks. - (1) National Bank of Pakistan shall be the bank for making over, holding or reporting of transfers. The Finance Department may, however, notify any other bank to undertake functions for making over, holding or reporting of transfers.

(2) Where any functions are given to a bank it shall provide all such reports as required by the Finance Department.

16. Cash balance. - (1) Cash balance in a Local Fund of each Local Council shall be communicated to the Secretariat on monthly basis, or as and when so required by the Secretary in Form **FTR-7** prescribed in fourth schedule.

(2) The cash balance or any amount thereof in a Local Fund of a Local Council shall not be transferable to Government account or any other account under any circumstances.

(3) The Local Council Accounts Office/Officer shall undertake reconciliation with the bank on a monthly basis and a report furnished along with monthly accounts to the Principal Accounting Officer and Secretariat, not later than the 10th day after the close of each month.

(4) Any differences or discrepancy found should be rectified in accordance with the procedure laid down in Chapter-19 of Account Code Vol-IV.

Chapter-IV Financial Reports

17. Revenue-Expenditure Statements. - (1) The Local Council shall provide monthly revenue-expenditure statements showing in detail comparative amounts of budget estimates and actual revenue and expenditure for the month and progressive up to the month to the Secretariat in the **(Forms FTR-8 to FTR-13)** given in the Fourth Schedule.

(2) The Secretariat may require quarterly and the end of year expenditure-revenue statements from the Local Council and in such cases the Local Council shall provide these statements in the Forms prescribed in the Fourth Schedule.

18. Local Own Source Revenues. - (1) A statement of Local Own Source Revenues assessed and collected shall be provided to the Secretariat at the end of each quarter in a fiscal year by the Local Council on the Forms prescribed in the Fourth schedule.

(2) For the purpose of this statement the Local Government Finance Office may rely on the assessment carried out by any agency, provided that the estimates of assessment are not less than the those used in its decision making.

19. Other transfers and amounts received. - Upon receipt of any funds, other than the Formula based transfers from the province or local own source revenues, the Local Government Finance Office shall report all funds so received in their accounts to the Secretariat along revenue-expenditure statement prescribed under rule 17.

20. Off-budget Project funds and investments. - (1) Every officer in-charge of special spending arrangement (Tied Grants and/or Grant in Aid) shall report all expenditure incurred through his office to the respective Finance office, which in turn shall provide that information to the Secretariat in Form **FTR-14** prescribed in the Fourth Schedule, provided that expenditures carried out under the approved budget of the local government shall not Form part of this report.

(2) The report shall, inter alia, include source of funds and terms and conditions related to the funds or investments received.

21. Accounts reports. - (1) Local Council Accounts Office/Officer, in addition to monthly expenditure-revenue statements, shall forward annual appropriation accounts and annual financial statements to the Secretariat in the Forms **FTR-15** to **FTR-20** prescribed in the fourth schedule.

(2) All such reports shall be submitted within six months following the end of fiscal year to which these relate.

(3) In case where certified accounts are pending finalization a report based on draft accounts may be submitted in the interregnum.

(4) Where a report is based on draft accounts it shall be stated in the report.

(5) Where a report has been provided on the basis of draft accounts, upon certification of accounts a final certified report shall be provided in continuation and reference to the earlier report.

31. Redressal of Grievances. - (1) A local council may seek redressal of grievances relating to any matter connected with fiscal transfers by the Government by making a reference to the Local Councils Finance Commission along with the grounds of such grievance and the Local Councils Finance Commission may take appropriate action to redress the grievances.

(2) The grievance petition shall be addressed to the Secretary of the Local Councils Finance Commission and the decision taken by the Committee shall be final and binding on party making the reference.

32. Power of the Government to Relax Rules. - Where the Government is satisfied that it is not practicable or necessary to comply with the requirements of any rule, the Government may, for reasons to be recorded in writing relax any rule in case of a particular local council, or generally, subject to such conditions, if any, as may be imposed by the Government in that behalf.

Repeal. - The Balochistan Local Government (Fiscal Transfer) Rules, 2004 are hereby repealed.

BY ORDER OF
GOVERNOR BALOCHISTAN

DOSTAIN KHAN JAMALDINI,
SECRETARY.
LOCAL GOVERNMENT DEPARTMENT

Chapter-VII

Miscellaneous

28. Annual Report. - (1) Draft annual report of the Local Councils Finance Commission shall be prepared by the Secretariat within three months after the close of each fiscal year and presented to the Secretary who shall submit it to the Local Councils Finance Commission for review.

(2) The draft report, upon approval by the Local Councils Finance Commission, shall be finalized by the Secretariat.

(3) Annual report shall be published by the Secretariat and copies will be provided to the respective Local Council, Secretary Local Government Department and Secretary of the Board.

(4) Sufficient number of copies shall be kept at the Secretariat and shall be provided, on demand, to general public on deposit of prescribed fee.

(5) The annual report shall also be uploaded to the website of Finance Department, Government of Balochistan in downloadable Format.

(6) Annual report shall be in the prescribed Form given in the Third Schedule.

Provided that the Secretariat may include extra information, over and above the minimum requirements of the Third Schedule, if deemed necessary.

29. Timeliness of reports. - Reporting officers and other agencies shall be responsible for submission of reports or completion of actions, as the case may be, in accordance with the timeframes specified in the First Schedule to these rules or any notice, received by the reporting officers, requiring any special report.

30. Powers of the Local Councils Finance Commission. - Nothing contained in these rules shall be deemed to impose any limits on the powers of the Local Councils Finance Commission to request any reports from a Federal Agency, Provincial Agency or a Local Council, or from any authority, corporation, body, or organization established by or under law or which is owned or controlled by any Government or in which any of the Governments has a controlling interest or any other source.

(3) The authority to which the action is recommended in each case shall undertake proceeding on such recommendation and provide a final report to the Secretary within a period not exceeding two months.

(4) To ensure carrying out the functions and purposes of the Local Councils Finance Commission, the Secretary may require any information from any agency carrying out functions in the province relating to local council finance to be furnished to the Secretariat.

Chapter-VI

Discrepancies and Delays in Transfers

26. Discrepancy in the transfer. - (1) A transfer less than the share of a local council, as calculated, shall be deemed to be a discrepancy or error.

(2) Any discrepancy or error in the transfer made to a local council shall be reported to the Local Councils Finance Commission before the end of the quarter by the Secretariat and the Local Councils Finance Commission may take any action deemed fit under the law.

27. Delay in the transfer. - (1) Whenever a transfer, due to a local government in accordance with the share as calculated, is not made within the prescribed time period, it shall be considered to be a delay.

(2) Any delay in the transfer for which a local council is eligible in accordance with the notifications, for whatsoever reason, shall be recorded by the Secretariat and reported to the Local Councils Finance Commission in the next following meeting and the Local Councils Finance Commission may take any action deemed fit under the law including suggesting appropriate remedial measures to the Government

Chapter-V

Responsibilities and Powers

22. Reporting officers. - (1) Unless otherwise provided in these rules, a reporting officer, shall submit a report to the Secretariat within the prescribed or required time period.

23. Duties of Local Council Finance and Accounts Offices/Officers. - (1) Duties of Local Council Finance as well as Accounts Offices/Officers shall include maintenance of record of monthly and periodic transfers in prescribed Forms as set out in the Fourth Schedule.

(2) A copy of the record shall be provided to the Secretariat at the end of each fiscal year not later than expiry of the first calendar month of the succeeding fiscal year.

24. Responsibility for the accuracy of the reports.- (1) The Chief Officer Municipal Committee/ Metropolitan Corporation / Chief Officer District Council / Secretary Union Council, as the case may be, shall be responsible for the correctness and accuracy of the reports submitted by the Local Council to the Secretariat.

25. Special powers of the Secretary. - (1) If so authorized by the Local Councils Finance Commission, the Secretary may require any special reports, on or related to Local Council Finance Office or from any Local Council Finance or Accounts Office/Officer or any officer in charge of a local council or any other officer responsible, as the case may be.

(2) The Secretary, in case of reports which are not submitted in time, or are submitted incorrectly or are incomplete, may recommend action to the authority empowered under the rules against the Local Council Finance Office/Officer, Local Council Accounts Office/Officer or any local council officer in-charge or any other person responsible, as the case may be; provided that in such cases prior notice shall be given to the officer concerned setting out the reasons for such an action.

First Schedule
Timeframes for various important activities

Activity	Responsibility	Timeframe
Preparation of technical briefs for Local Councils Finance Commission meetings;	Local Councils Finance Commission Secretariat	Periodic, as and when required
Preparation of necessary documents for Local Councils Finance Commission meetings;	Local Councils Finance Commission Secretariat	Periodic, as and when required
Maintenance and updating of intergovernmental database	Local Councils Finance Commission Secretariat	Periodic
Carrying out monitoring of receipt of funds by Local Council	Local Councils Finance Commission Secretariat	Second week of every month
Carrying out analysis of Local Council finance.	Local Councils Finance Commission Secretariat	Periodic, as and when required
Carrying out analysis of provincial finances	Local Councils Finance Commission Secretariat	Periodic, as and when required
Preparation and maintenance of data relating to Local Council.	Local Councils Finance Commission Secretariat	Periodic, as and when required
Evaluation of impact of fiscal transfers on Local Council	Local Councils Finance Commission Secretariat	Annual
Commissioning of special research and studies relating to intergovernmental finance.	Local Councils Finance Commission Secretariat	Annual
Preparation of draft Annual Report.	Local Councils Finance Commission Secretariat	Annual

Publication of Annual Report of the Local Councils Finance Commission	Local Councils Finance Commission Secretariat	Before the end of first quarter in every fiscal year
Provision of periodic reports on local government finance to the Secretary	Local Councils Finance Commission Secretariat	Periodic, as and when required
Notification of Grants to local government	Local Councils Finance Commission Secretariat	March (before a fiscal year begins).
Publishing of notification of Local Government Grants in the official gazette	Local Councils Finance Commission Secretariat	March (before a fiscal year begins)
Authorization of transfer to LGs	Local Councils Finance Commission Secretariat	Beginning of every calendar month not later than the third day of that month.

Communication of Authorization to the State Bank of Pakistan	Local Councils Finance Commission Secretariat	Same day as notified.
Transfer of the grant as calculated to Local Council	Local Councils Finance Commission Secretariat	Within three days of the issuance of Authorization
Issuance of certification of transfer	Local Council Accounts Office/Officer	Upon completion of transfer not later than the last working day of the first week of every calendar month
Provision of copy of the certification to the Secretariat and other offices	Local Council Accounts Office/Officer	Within three days of receipt of funds
Provision of monthly expenditure-revenue statement to the Secretariat	Local Council Finance Office/Officer/Local Council Accounts office/Officer	Not later than the tenth day of a calendar month

Quarterly and end of year expenditure-revenue statements	Local Council	Within 15 days of the end of the quarter to which the statement relates and end of the first quarter of the next fiscal year following the year to which the annual statement relates.
Reporting of all funds received in their accounts to the Secretariat.	Local Council Finance/Accounts office	Not later than the last working day of the first week of every calendar month
Reporting of all expenditure incurred (through the local government office) to the respective finance office and to the secretariat	Local Council office in-charge	In the first week after the end of the quarter
Accounts reports	Local Council Accounts Office/Officer	Before the end of the fiscal year following the year for which reports are being Formulated.
Provision of special reports required by the Secretary Local Councils Finance Commission related to local council finance	Officer responsible for the required information	Periodic, within fifteen days of request
Preparation of Draft Local Councils Finance Commission annual report	Local Councils Finance Commission Secretariat	By 15 th August
Publication of Local Councils Finance Commission Annual report	Local Councils Finance Commission Secretariat	By 15 th September

<p>Provision of copies of the Local Councils Finance Commission annual report to the relevant stakeholders.</p>	<p>Local Councils Finance Commission Secretariat</p>	<p>By 30th September.</p>
<p>Maintenance of record of monthly and periodic transfers in prescribed Form in accordance with the Fourth Schedule.</p>	<p>Local Government finance and accounts offices</p>	<p>Continuous</p>
<p>Provision of monthly record of transfers in prescribed Form in accordance with the Fourth Schedule to the Secretariat.</p>	<p>Local Government finance and accounts offices</p>	<p>No later than the 5th of the next month following the month to which the statement relates</p>
<p>Provision of annual report on record of transfers in prescribed Form in accordance with the Fourth Schedule to the Secretariat</p>	<p>Local Government finance and accounts offices</p>	<p>End of each fiscal year not later than 31 July.</p>

Second Schedule
Data that shall be maintained by the Secretariat

(Under Rule 7)

Part-A
(Rule 8)

1. Expenditures of Local Council, function and object wise;
2. Revenues of Local Council, item wise;
3. Transfers received by Local Council, all categories;
4. Data on specific issues in accordance with Local Councils Finance Commission;
5. Data on implementation of any conditionality that may be attached to any transfers; and
6. Any matters specifically assigned by the Local Councils Finance Commission.

Part B

1. Population, with projected increases over time;
2. Area of Local Government;
3. Service levels in a Local Government jurisdiction, all services;
4. Land, by various categories of usage and tillage;
5. Industry and other economic activity;
6. Social indicators;
7. Economic indicators;
8. Estimates of personal and household income and expenditure;
9. Measures of various local tax bases; and
10. Cost of service delivery, by category.

Third Schedule
Recommended Form for the Local Councils Finance Commission Annual Report

Objectives

The Annual Report of the Local Councils Finance Commission will be meant to inform the citizenry about how public funds have been managed to their benefit and at the same time afford them an opportunity to assess the performance of the Local Councils Finance Commission. The report will also facilitate the Provincial government in bringing about changes in the previous year fiscal policy that would lead to improved transfer and allocation practices for the future.

Analysis

The report will offer a detailed analysis of the general health of the provincial economy and will provide information that will guide policy makers to enable them to incorporate changes and make adjustments in the distribution of funds and allied policies of tapping into new sources of revenue. It will also serve as material for dialogue and action to enable the provincial leadership in suggesting a way forward for the economic well-being and uplift of the population in general. For the Local Councils Finance Commission Secretariat, it will serve as a mirror for reflecting on the past years Formulae for resource distribution.

The report will also offer a;

(1) Tool for analyzing the utilization and source of available resources

Through the Local Councils Finance Commission award the province decides how it would spend the total resources available for that year. The report will provide detail of how much the respective Local Council has spent. It will identify the source of funds and help identify separately the respective grants provided by the Federal and Provincial Governments.

(2) Financial management tool

The report will provide detail on the financial condition of the province and Local Council. It will include detailed information regarding budget balances, the results of audit, liabilities being carried over, ending balances of the Local Council and figures for helping elucidate the level of disparity in overall fiscal health. Indicators of fiscal management such as whether books are being properly kept and whether there has been either a financial or program audit are additional tools in the report that will facilitate financial management.

(3) Comparative analysis of the Provincial economy

The report will provide an opportunity for provincial policy makers to make comparisons with fiscal policies of other provincial governments. It will also help identify the disparities in economic growth among the various Local Council and regions of the province, and help policy makers gauge whether these differences are increasing or decreasing.

In the Local Councils Finance Commission report policy makers will be able to pinpoint the major economic issues which will affect the performance of the intergovernmental transfer system.

(4) Means to bridge expenditure abnormalities

The report will present an analysis of expenditure patterns for each level of government through which clear identification of areas of growth as well as stagnation will be identified. Similarly, public employment levels and patterns will be deduced through the study of expenditure patterns.

(5) Identification of revenue sources, improvement in own source revenue

The report will present an analysis of revenue patterns by level of government and show revenue growth by source. This will include own source revenues, and an analysis of the dependence on transfers.

(6) Evaluation of the Transfer Formula –identifying successes and shortfalls

Local Councils Finance Commission Formula may not hold true and effective over an extended period. The report in this case will provide indicators for analysis which will be used to retune (if required) the intergovernmental transfer system used by the province. Similarly, the impact of the transfer Formula as well as suggestions for change and adjustments will be facilitated through the report.

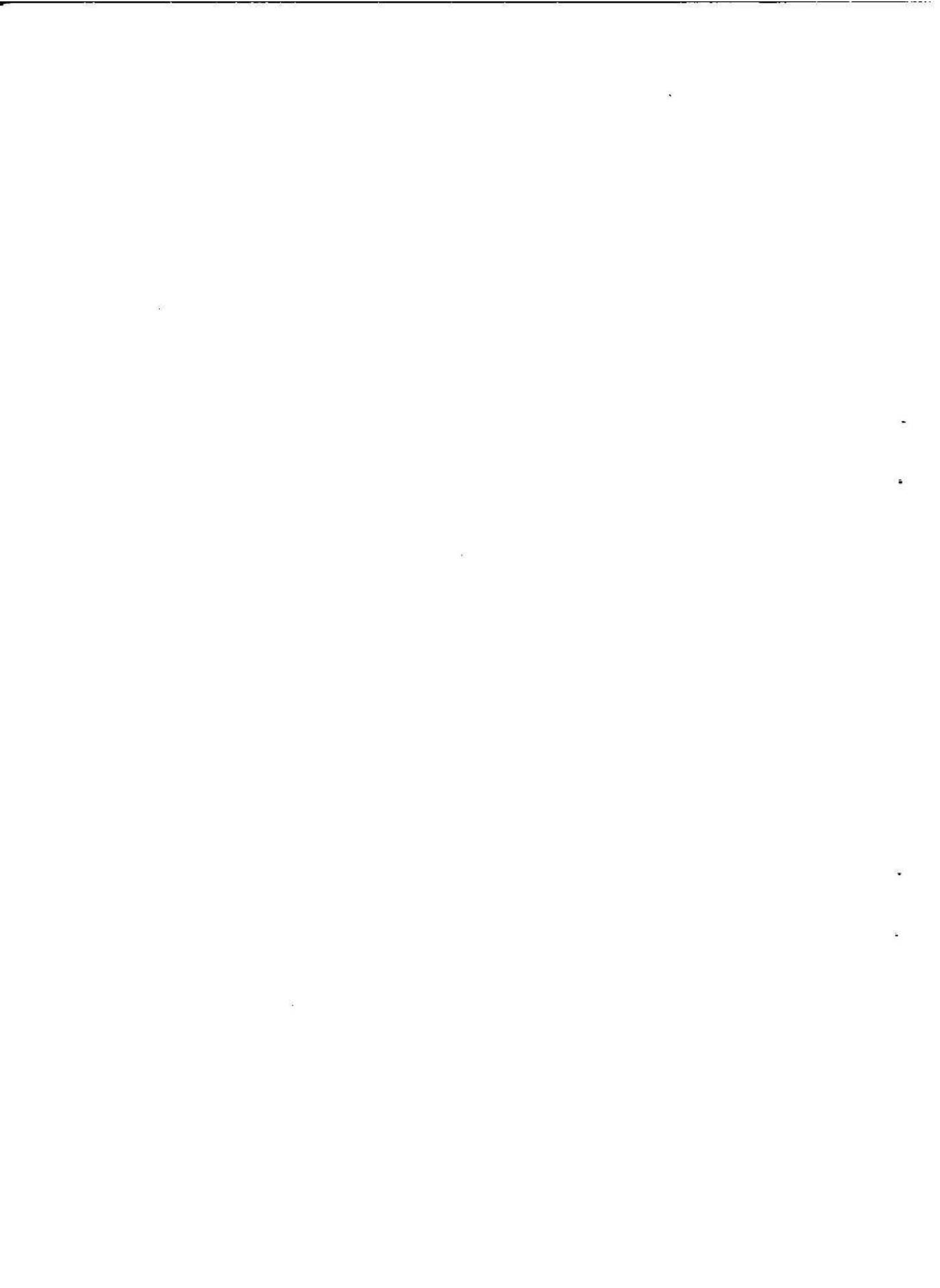
(7) Innovation

The report will not just be providing information on what has been undertaken over the fiscal year, but will also serve as a source of novel ideas which the Local Councils Finance Commission may take up for inclusion in future awards. The addition of special studies on innovative ideas and practices that will be included in the report will facilitate the generation of dialogue on subjects such as:

- (a) Equalization evaluation
- (b) Alternatives for own revenue mobilization
- (c) Public employment levels and disparities

(8) Presenting a way forward

The report will conclude with the presentation of challenges and issues where the major hurdles to be overcome in developing an intergovernmental fiscal system that will match the objectives of the provincial policy will be streamlined for action. These will include province level issues such as poor fiscal management by some Local Council, growing disparities within the regions and the need to accommodate these, etc. Also issues of relationship between the Province and the Federal government on matters such as a proposed new revenue sharing scheme, or proposed new legislation on natural resource taxation that might affect the provincial and local government budgets may be taken cognizance of in the Local Councils Finance Commission report.



Form FTR-1
Notification of Award
(Rule 9)

Government of Balochistan
Local Councils Finance Commission Secretariat

Dated: ---

In exercise of powers conferred under Section 121 (b) of the Balochistan Local Government Act 2010, the Chief Minister of Balochistan on the recommendation of Local Councils Finance Commission is pleased to specify the size of Provincial Consolidated Fund and its distribution into Provincial Allocable and Provincial Retained amounts for the Province of Balochistan as under

Rs

Provincial Consolidated Fund

Provincial Retained Amount

Provincial Allocable Amount

FTR-2
Notification of Determined Share for Three Years
(Rules 10 and 11(2))

Government of Balochistan
 Local Councils Finance Commission Secretariat

Dated: _____

In exercise of powers conferred under Section 121 of the Balochistan Local Government Act, 2001, the Chief Minister of Balochistan, in pursuance of the recommendations of the Local Councils Finance Commission is pleased to specify the following award, separately indicating the Provincial Retainable and Provincial Retained amounts and the rate share of the Local Councils for three years starting from _____ to _____.

Provincial Retained Amount

Provincial Allocable Amount

Name of Local Council	Interest Share
District Council	

FTR-3
Notification of Determined Share for One Year
(Rules 11(1))

Government of Balochistan
Local Councils Finance Commission Secretariat

Dated: ----

In exercise of powers conferred under Section 121 of the Balochistan Local Government Act, 2010, the Chief Minister of Balochistan on the recommendation of the Local Councils Finance Commission is pleased to specify the following award, separately indicating the Provincial Allotment and Provincial Retention amounts and the inter-se shares of the Local Councils for the year ending June 30, 20-----

Provincial Retained Amount:

Provincial Allotment Amount:

Name of Local Council	Inter-se Share
District Council	
Municipal Committee / Metropolitan Corporation	

FIR-4
Authorization of Transfer (To be sent to banks)
(Rules 13)

Government of Balochistan
Local Councils Finance Commission Set up under

Dated

In pursuance of the Local Councils Finance Commission Award notified Vide No. _____, dated _____, 20____ sanction is hereby accorded to release an amount of Rs. _____ for credit to Local Fund of Local Councils for the month of _____, 20____ as single line resources transfer to respective Account of each local government, per contra debit to Balochistan Government Account No. 1 (as per the specified head of account).

Provincial Retained Amount

Provincial Allocable Amount

Name of Local Council	Inter-se Share
District Council	
Municipal Committee / Metropolitan Corporation	

FTR-5
Notification of Calculated Share
(Rules 14)

Government of Balochistan
Local Councils Finance Commission Secretariat

Dated:-----

In exercise of powers conferred under Section 121 of the Balochistan Local Government Act, 2010, the Chief Minister of Balochistan on the recommendation of the Local Councils Finance Commission is pleased to specify the following calculated share of individual Local Councils for the year ending June 30, 20____ based on the actual size of the Provincial Consolidated Fund.

Provincial Retained Amount

Provincial Allocable Amount

Name of Local Council	Inter-se Share
Districts Council	
Municipal Committee / Metropolitan Corporation	

Form FTR-6
Certification of Receipts
(Rule 14)

Government of Balochistan
Local Councils Finance Commission Secretariat

Dated: -----

On the basis of accounts rendered by the State Bank of Pakistan / National Bank of Pakistan, the
Bank _____ (name of branch) in respect of _____ (name of) Local Council, it
is certified that a sum of Rs _____ has been credited in the account of the Local
Council _____ (name) during the month of _____, 20 _____.

Signed
Accounts Officer

With Stamp

FTR-7

Cash Balance as on 30, _____, 20

Local Council _____

(Rule 16)

Rs.

Opening Balance as on 1st of _____, 20

Add: Receipts during the month

Less: Payments made during the month

Closing Balance as on 30th of _____, 20

Note: Balances in National Bank and Commercial Banks will be shown separately

**Form PB-8
 Monthly Reporting Report for**

Market Column B

Category	Market Column A		Market Column B		Market Column C		Market Column D		Market Column E		Market Column F	

...
...
...
...
...
...
...

For information on 1996 PB-8, it should match the number with the 1996 PB-8.

Form FTR-9
(Rule 17)

Monthly Expenditure Report for _____ 20____ Municipal Committee / Metropolitan Corporation _____

Objects	Salary of Officers			Salary of Staff			Allowances			Contingencies			Others		
	Previous month	Actual for the month	Progressive	Previous month	Actual for the month	Progressive	Previous month	Actual for the month	Progressive	Previous month	Actual for the month	Progressive	Previous month	Actual for the month	Progressive
Cummal Secretariat															
Chairman Office															
Public Health															
Water Supply															
Dignus															
Articles of Food and Drinks															
Animals and Cattle															
Education															
Public Safety															
Town Planning															
Building Control															
Streets															
Appropriation															
Total															

*As applicable to the relevant Council

Form FTR-10
(Rule 17)

Monthly Receipts Report for ----- 20-----

Local Council / Municipal Committee / Metropolitan Corporation -----

Major Minor Detailed Receipts Heads	Previous Months	Actual for the Month	Progressive
Total			

Include receipts from all sources including transfer from the Provincial Government and Transfers in lieu of octroi and zila tax to be shown separately.

Form FTR-12

(Rule 17)

Yearly Expenditure Report for _____, 20

Municipal Committee / Metropolitan Corporation -----

Objects	Salary of Officers	Salary of Staff	Allowances	Contingencies	Others
Functions	Rs	Rs	Rs	Rs	Rs
Council Secretariat					
Chairman's Office					
Public Health					
Water Supply					
Drains					
Articles of Food and					
Animals and Cattle					
Education					
Public Safety					
Town Planning					
Building Control					
Streets					
Arboriculture					
Total					

Form FTR-13
 (Rule 17)
Annual Receipts Report for _____,20
Local Council _____

Major/Minor/Detailed Receipts Heads	Rs
Total	

Include receipts from all sources including transfer from the Provincial Government and Transfers in lieu of octroi and zila tax to be shown separately

Form FTR-14
(Rule 20)
Project Funds and Investments
Local Council

Sr No.	Name of Project	Opening Balance	Transferred during the month	Payments made during the month	Balance
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
Total					

For vertical projects not included in the budget

Form FTR-15
(Rule 21)

General Abstract of Accounts

Month

Rs.

Month	Rs.
A. Opening Balance	
B. Receipts	
Receipts Local Council Fund	
Receipts Public Account	
Total Receipts	
C. Expenditure	
Local Council Fund	
Current Expenditure	
Development Expenditure	
Public Account	
Total Expenditure	
Closing Balance (A+B-C)	

Form FTR-20
(Rule 22)

Funds received from Provincial Government
Local Council.....

Sr No.	Months	Share as determined by Local Council Finance Commission	Funds received in account	Deviation (2-1)	Date of receipt
1	July	1	2	(2-1)	
2	August				
3	September				
4	October				
5	November				
6	December				
7	January				
8	February				
9	March				
10	April				
11	May				
12	June				
	Total				

Transfers in lieu of octroi and zila tax shall be recorded separately.