



GOVERNMENT OF KHYBER PAKHTUNKHWA FINANCE DEPARTMENT

No.BO.I/FD/5-8/2022-23/Austerity Measures

Dated Peshawar the 30/06/2022

To

- 1) The Senior Member, Board of Revenue, Khyber Pakhtunkhwa.
- 2) All Administrative Secretaries to Govt. of Khyber Pakhtunkhwa.
- 3) The Principal Secretary to Governor, Khyber Pakhtunkhwa.
- 4) The Principal Secretary to Chief Minister, Khyber Pakhtunkhwa.
- 5) All Divisional Commissioners in Khyber Pakhtunkhwa.
- 6) All Heads of Attached Departments in Khyber Pakhtunkhwa.
- 7) All Heads of Autonomous/Semi-Autonomous Bodies in Khyber Pakhtunkhwa.
- 8) All Deputy Commissioners in Khyber Pakhtunkhwa.
- 9) The Registrar, Peshawar High Court, Khyber Pakhtunkhwa.
- 10) The Secretary, Provincial Assembly, Khyber Pakhtunkhwa, Peshawar
- 11) The Registrar, Khyber Pakhtunkhwa Service Tribunal Peshawar.
- 12) The Secretary, Khyber Pakhtunkhwa Public Service Commission, Peshawar.

Subject: - **ECONOMY/AUSTERITY MEASURES/BUDGET EXECUTION GUIDELINES FOR FINANCIAL YEAR 2022-23**

Dear Sir,

I am directed to refer to the subject noted above and to state that the Provincial Cabinet in its Special Budget meeting held on 13/06/2022 while considering the Annual Budget 2022-23, approved the following guiding principles to ensure fiscal discipline during financial year 2022-23: -

- 1) Salary budgeting has been done at actual filled positions, therefore, hiring against vacant positions shall be subject to budgetary ceilings.
- 2) **There shall be a complete ban on:**
 - i. **Creation of posts** except posts required for completed Developmental Projects. Regular positions shall be created by already notified Committee.
 - ii. **Purchase of new vehicles** except Ambulances, Earth moving machinery, Fire Trucks, Tractors, Trucks, Buses, Passenger vans, Prisoners Vans, Motorcycles, Water Bowser Trucks, Recovery/Rescue vehicles and Rescue/Life Saving boats. However, a committee already notified under the Chairmanship of Secretary Finance shall ascertain the need and accord approval to purchase vehicles other than those mentioned above.
 - iii. Participation in workshops/seminars and training abroad involving provincial funds.
 - iv. Holding Seminars and Workshops in Five Star Hotels involving Provincial funds.
 - v. Treatment abroad on Provincial Government's expense.
- 3) All Administrative Secretaries and Heads of Autonomous/Semi-Autonomous Bodies, being Principal Accounting Officers, shall conduct meetings of Departmental Accounts Committee regularly so as to ensure internal audit of their respective Departments / Organizations.
- 4) Expenditure shall be restricted to the funds released and the Administrative Departments shall not incur expenditure in anticipation of additional or supplementary grants.
- 5) To bring efficiency in revenue collections, "**Provincial Revenues Review Committee**" shall meet regularly under the chairmanship of Minister Finance to review the performance of all revenue collecting entities of the Provincial Government and to propose structural changes, performance indicators, legal reforms and other realignments in the procedures.
- 6) Contingent paid staff shall be engaged during the course of the financial year 2022-23 only after approval of the Finance Department.
- 7) No appointment shall be made against leave vacancies without prior approval of Finance Department.
- 8) No appointment will be made against vacant posts (except appointment by promotion) without obtaining NOC from the concerned Surplus Pool.
- 9) Principal Accounting Officers will make sure that no appointment is made against vacant posts of dying cadre and will also initiate disciplinary action, if such appointments have been made previously.

- 10) No developmental scheme involving creation of posts and purchase of vehicles, machinery & equipment and furniture (Revenue Component), will be considered without prior clearance of Finance Department.
 - 11) No department shall retain receipts in Bank Accounts. The Departments must remit all Receipts to Provincial Account forthwith except where Departments/ facilities have been specifically permitted under some Statute/Act. All MTIs shall share the balances in Reserve Fund with Finance Department on quarterly basis along-with the Procurement Plan. Release of subsequent quarter's budget shall be subject to submission of reserve funds balances to Finance Department. All Grants in Aid to Bar Councils and Press Clubs shall be released as per approved criteria. Any fund over and above the approved criteria shall be released with the approval of Chief Minister, Khyber Pakhtunkhwa.
 - 12) No funds will be utilised on account of annual and special repair of such Roads & Buildings (AOM&R) which have been repaired / rehabilitated during last three years except flood and earthquake affected Government infrastructure. To ensure the scope and standard of such works, Director General, Monitoring & Evaluation (M&E), shall inspect the sites periodically and provide a quarterly report to P&D & Finance Department. The concerned SDO shall submit a certificate to the effect that no funds have been utilised for Repair & Maintenance of the concerned Road & Building in the last three years.
 - 13) The advertisement charges allocated under Current Revenue Expenditure shall be utilized on current side only. As regards expenditure on developmental side, necessary provision will be made in the PC-I(s)/Costs Estimate(s) of the concerned scheme(s) whereas the devolved Department's expenditure on this account shall be met out of Account-IV/V, as the case may be, of the district concerned.
 - 14) All posts which are lying vacant for the last three (03) years shall be abolished by Finance Department unless justified by the Administrative Department.
 - 15) Finance Department shall undertake next phase of the expenditure review to realize further savings as a part of an integrated sectoral review process.
 - 16) P&D Department shall initiate district & sectoral plan spread over the next three (03) years as part of the mid-term development framework for the purpose of improved planning & eliminate wasteful expenditure.
 - 17) Keeping in view financial crunch, Finance Department shall carry out monthly Receipts & Expenditure reviews and adjust the release under various heads including development release accordingly.
 - 18) All Autonomous/Semi-Autonomous bodies, Medical Teaching Institutions, other Institutions and Authorities under Provincial Government shall adopt the measures within their respective organizations with the approval of their competent forums.
 - 19) Principal Accounting Officers shall overall review the Departmental overall budgets and ensure judicious spending of various entities. Any intra departmental adjustments/ re-appropriations shall be done at level of Principal Accounting Officers to bridge budgetary/ release gaps.
 - 20) The Chief Minister shall constitute a Cabinet Committee to quarterly review the fiscal situation and recommend measures to ensure availability of fiscal space for key service delivery sectors and flagship priorities of the Government.
2. The above instructions may kindly be adhered to in letter and spirit.

Yours faithfully,


(GHANI REHMAN)
BUDGET OFFICER-I

30.6.22

Endst: No. and date even:

Copy forwarded for information and necessary action to:-

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


BUDGET OFFICER-I