

MOST IMMEDIATE



**GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT**

Finance Department, CIVIL Secretariat, Peshawar

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No.BO.I/FD/5-8/2021-22/Austerity Measures

Dated Peshawar the 30/06 2021

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 2021-22

Dear Sir,

I am directed to refer to the subject noted above and to say that the Provincial Cabinet in its Special Budget meeting held on 18 /06/2021 while considering the Annual Budget 2021-22, approved the following guiding principles to ensure fiscal discipline during financial year 2021-22: -

- 1) Salary budgeting has been done at actual filled positions, therefore, hiring against vacant positions shall be subject to budgetary ceiling fixed in the Integrated Budget Call Circular 2021-22.
- 2) New creation shall be processed by Finance Department and shall be against the budgetary provisions upto the limit as mentioned in the Lumpsum amount at disposal of Administrative Departments.
- 3) Furthermore, hiring against vacant positions shall also be subject to budgetary ceilings at disposal of Administrative Department.
- 4) Requests for new posts/ SNEs in respect of completed development projects shall be processed on submission of PC-IV and fulfillment of criteria circulated by Finance Department.
- 5) **Purchase of vehicles** shall be completely ban from both the current and development side. However, a committee headed by Secretary Finance, Secretary Administration, Secretary P&D and Secretary of the concerned Department as members shall ascertain the need and accord approval to purchase of vehicles other than Ambulances, Earth moving machinery, Fire Trucks, Tractors, Single Cab Pickup 4x4 and 4x2, Trucks, Buses, Passenger vans, Prisoners Vans, Motorcycles, Water Bowser Trucks, Recovery/Rescue vehicles, Rescue/Life Saving boats.
- 6) **There shall be a complete ban on:**
 - i. Participation in workshops/seminars and training abroad involving provincial funds.
 - ii. Holding Seminars and Workshops in Five Star Hotels involving Provincial funds.
 - iii. Treatment abroad on Provincial Government's expense.
- 7) All Administrative Secretaries and Heads of Autonomous/Semi-Autonomous Bodies, being Principal Accounting Officers, shall conduct meetings of Departmental Accounts Committee regularly under to intimation of Finance Department so as to ensure Internal audit of their respective Departments /Organizations.

- 8) 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.
- 9) All Administrative Secretaries shall conduct review meeting on progress on the targets against key performance indicators (KPIs) of their respective Departments quarterly under intimation to Finance Department.
- 10) Contingent paid staff shall be engaged during the course of the financial year 2021-22 only after approval of the Finance Department.
- 11) No appointment shall be made against leave vacancies without prior approval of Finance Department.
- 12) No appointment will be made against vacant posts (except appointment by promotion) without obtaining NOC from the concerned Surplus Pool.
- 13) Principal Accounting Officers will make sure that no appointment is made against a vacant post of dying cadre and will also initiate disciplinary action, if any such appointments have been made previously.
- 14) Expenditure shall be restricted to the funds released and the Administrative Departments shall not incur expenditure in anticipation of additional or supplementary grants.
- 15) 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.
- 16) 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 quarters' budget shall be subject to submission of reserve funds balances and also submission of third party financial audit report to Finance Department.
- 17) No funds will be utilized 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 utilized for Repair & Maintenance of the concerned Road & Building in the last three years.
- 18) 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 Departments' expenditure on this account shall be met out of Account-IV of the District concerned.
- 19) All posts which are lying vacant for the last three (03) years shall preferably be abolished by Finance Department unless justified by the Administrative Department.
- 20) Finance Department shall undertake next phase of the expenditure review to realize further savings as part of an integrated sectoral review process.
- 21) P&D Department shall initiate district and sectoral plans spread over the next three (03) years as part of the mid-term development frame work for the purpose of improved planning and eliminate wasteful expenditure.
- 22) 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.
- 23) Keeping In view the financial crunch on account of COVID-19, Finance Department shall carry out monthly Receipts and Expenditure reviews and adjust the release under various heads including development release accordingly.



- 24) 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 preferably done at level of Principal Accounting Officers to bridge budgetary/ release gaps.
 - 25) The Chief Minister may constitute a Cabinet Committee to review the fiscal situation and recommend measures to ensure availability of fiscal space for key service delivery sectors and flagship priorities of the Government.
 - 26) A Budget Management Committee to be chaired by Hon'able Chief Minister, Khyber Pakhtunkhwa, comprising of Minister Finance, Additional Chief Secretary and Secretary Finance shall review budget utilization and the financial position of the province on a monthly basis.
2. The above instructions may kindly be adhered to in letter and spirit.

Yours faithfully,


(SAEED HAMAD KHAN)
BUDGET OFFICER-I

Endst: No. and date even:

Copy forwarded for information and necessary action to:-

- 1) The Accountant General, Khyber Pakhtunkhwa, Peshawar.
- 2) All Additional 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 Secretary Finance.
- 10) Private Secretary to Special Secretary Finance (NMAs).


BUDGET OFFICER-I