

**BUDGETARY MATTER/
TOP PRIORITY**



INTEGRATED BUDGET CALL CIRCULAR

2017-18

**GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT**



GOVERNMENT OF KHYBER PAKHTUNKHWA

FINANCE DEPARTMENT

No. BO.1/ FD/5-20/2017-2018/ BCC

Dated Peshawar the 5/12/2016

To

1. The Additional Chief Secretary, Govt. of Khyber Pakhtunkhwa, P&D Department.
2. The Senior Member, Revenue & Estate Department, Govt. of Khyber Pakhtunkhwa.
3. All Administrative Secretaries to Government of Khyber Pakhtunkhwa.
4. The Secretary, Provincial Assembly Khyber Pakhtunkhwa, Peshawar.

Subject: - BUDGET CALL CIRCULAR FOR THE YEAR 2017-18 (BUDGET ESTIMATES), 2016-17 (REVISED ESTIMATES) AND MEDIUM TERM BUDGETARY FRAMEWORK / OUTPUT BASED BUDGET (MTBF/OBB) 2017-20

Dear Sir,

I am directed to refer to the subject noted above and to enclose herewith **Budget Call Circular** comprising of the following two sections along with Indicative Budgetary Ceilings (Current Expenditure) (**Appendix-A**) & **Budget Calendar (Appendix-B)**, which is self explanatory, for further necessary action:

a) **Section (I)**

This section contains forms, instructions and procedures for Departmental Strategic Overview and Strategic Allocation of Ceilings to “outputs (services) under MTBF and the format of the Book “Medium Term Budget Estimates for Service Delivery (2017-20)” to be prepared by the Administrative Departments and submitted to the respective Budget Officers of Finance Department within the stipulated time period.

b) **Section (II)**

This section contains Budget Preparation Forms (BM FORMS), Guidelines & Procedures for submission of Revised Estimates 2016-17 & Budget Estimates 2017-18 in respect of Current Expenditure & Receipts. These forms are intended to be filled in by the Fund Centers/Spending Units/DDOs according to the ceilings provided to them by their respective Administrative Departments. The Administrative Departments shall ensure the timely receipt of these forms from the Fund Centers/Spending Units/DDOs and forward the same to respective Budget Officers of Finance Department within the stipulated time period.

2. The Administrative Departments/Attached Departments are being provided **Indicative Budgetary Ceilings** for the next three years i.e. 2017-20 for Current Budget (**Appendix-A**). The **Development Budget Ceilings** will be communicated by the P&D Department in due course of time. Furthermore, Budget Review Meetings would be held with Finance and P&D Departments by the Line Departments, wherein these budget ceilings would be firmed up.

3. The system is implemented through various steps reflected in Budget Call Circular including preparation of Budget Strategy Paper-1 (BSP-I) in the startup of the budget cycle on the basis of tentative conservative estimates of receipts and expenditure and the Budget Strategy Paper- II (BSP-II) at the stage when economic and fiscal forecast are firmed up by the relevant agencies.

4. Each Department shall finalize the Budget Estimates for 2017-18 and Budget Forecasts for 2018-19 and 2019-20 in respect of all of its **Non-devolved spending units**. The devolved entities shall prepare their budget in accordance with Khyber Pakhtunkhwa Local Government Act, 2013 and rules made

thereunder. While formulating the Budget Estimates for the financial year 2017-18, it may kindly be appreciated that budget is not only an expression of figures rather it is a policy statement of government's estimated revenues and proposed expenditures and statement of policy objectives and priorities intended to be achieved in a financial year. Due diligence, reliability, accuracy and completeness of the required information will enable this Department to make right decision at the right time. To provide due guidance, Finance Department will be coordinating in the matter.

5. It is therefore requested that the consolidated proposed Budget Estimates 2017-18 and forecasts for two outer years (2018-19 and 2019-20) including detail of posts, duly prepared on the prescribed format and verified by the Accountant General/ District Accounts Office concerned, showing adherence to the indicative budget ceilings, may kindly be submitted to this Department, within the timeframe positively.

6. The receipt of this letter may kindly be acknowledged. The Budget Call Circular 2017-18 can also be downloaded from the Website of Finance Department i.e **www.kpfinance.gov.pk**.

Yours faithfully,

Encl: as above

(SAEED AHMAD KHAN)
BUDGET OFFICER.I

Endst: No. and Date even:

Copy forwarded to:-

1. The Accountant General, Khyber Pakhtunkhwa, Peshawar
2. The Principal Secretary to Governor, Khyber Pakhtunkhwa.
3. The Principal Secretary to Chief Minister, Khyber Pakhtunkhwa.
4. The Provincial Police Officer, Khyber Pakhtunkhwa.
5. The Registrar, Peshawar High Court, Peshawar.
6. The Registrar, Khyber Pakhtunkhwa Services Tribunal, Peshawar.
7. All Commissioners / Deputy Commissioners in the Khyber Pakhtunkhwa.
8. The Military Secretary to Governor, Khyber Pakhtunkhwa.
9. The Director, FMIU, Finance Department, Peshawar with the request to upload the Budget Call Circular on the web portal of Finance Department.
10. The Secretary, Khyber Pakhtunkhwa Public Service Commission.
11. All District Controller of Accounts/Accounts Officers in Khyber Pakhtunkhwa.
12. Budget Officers II-XI/PFC I-III/Fund & Loan, Finance Department. (Alongwith Appendix-A).
13. PS to Minister for Finance, Khyber Pakhtunkhwa, Peshawar.
14. PS to Finance Secretary.

BUDGET OFFICER.I

SECTION - I

FORMS, INSTRUCTIONS & PROCEDURES FOR DEPARTMENTAL STRATEGIC OVERVIEW AND STRATEGIC ALLOCATION OF CEILINGS TO OUTPUTS(SERVICES) UNDER MTBF AND THE FORMAT OF “MEDIUM TERM BUDGET ESTIMATES FOR SERVICE DELIVERY (2017-20)”

**FOR
ADMINISTRATIVE DEPARTMENTS**

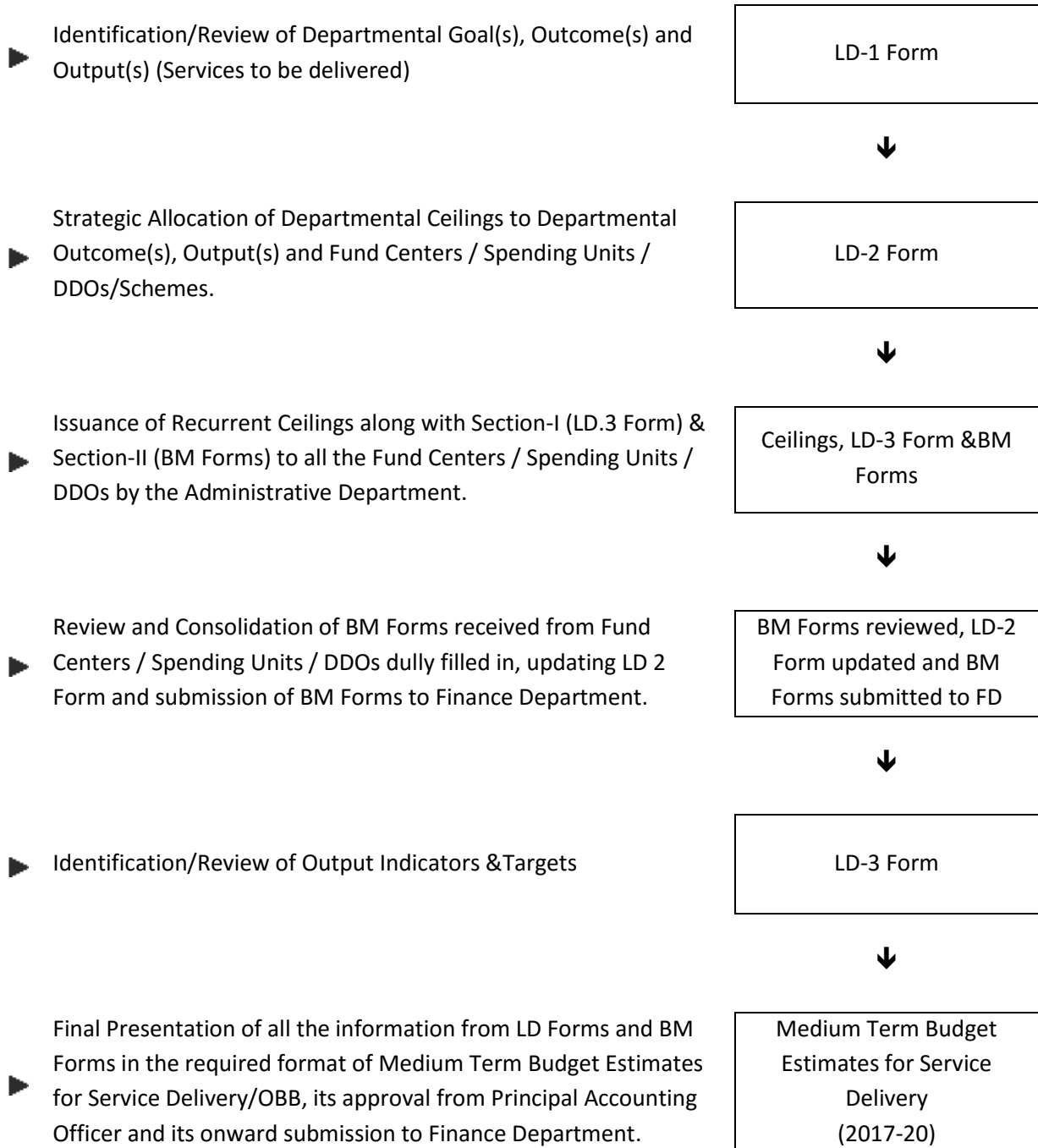
Please read the following instructions carefully before filling the forms.

GENERAL GUIDELINES

1. Each Head of the Department shall finalize the **Budget Estimates for 2017-18** and **Budget Forecasts for 2018-19** and **2019-20** in respect of all its spending units on the prescribed forms at the spending DDO level. The **Current Budget Indicative Ceilings** are hereby communicated vide '**Appendix-A**'. Consequent upon the promulgation/notification of the new '**Local Government Act 2013**', funds/budget in respect of devolved units/offices will be retained by Finance Department for allocation through the Provincial Finance Commission Award to each of the respective District Government. The ceilings communicated are exclusive of devolved offices of your respective department.
2. The strategic policies and priorities of each Department shall be aligned with the **Strategic Development Partnership Framework** and **Integrated Development Strategy**. Each Department shall consider its Output Based Budget under MTBF as a tool to translate these policy objectives into practice.
3. The budgetary proposals by the Administrative Departments shall be developed with due regard to the guidelines/instructions provided in this circular and all efforts shall be made to base these proposals on the evidence of people's needs.
4. Effective performance measurement as per the essence of Output Based Budgeting requires sound institutional mechanisms. Hence, for greater transparency and accountability, the performance information (indicators and targets) shall be disaggregated at the district and facility levels in respect of all non-devolved functions.
5. This section contains forms that are designed to prepare Medium-Term Output Based Budget (2017-20). These forms namely "LINE DEPARTMENT-FORMS" or simply LD-Forms are required **to be filled in at the secretariat level**.
6. The 'LD-Forms' should be prepared in collaboration with the strategic management of the Department. The strategic management includes Secretary and all Officers (technical, operational, administrative and planning) including Heads of Attached Departments who are directly involved in the strategic planning within a Department.
7. 'Medium Term Budget Estimates for Service Delivery' is prepared after 'LD Forms' and 'BUDGET MANUAL-FORMS' or simply BM-Forms (as per Section-I& Section II) are completed. The 'Medium Term Budget Estimates for Service Delivery' should be approved by the concerned 'Principal Accounting Officer' and submitted to the respective Budget Officer of Finance Department within stipulated time as per the Budget Calendar.

SEQUENCE OF FILLING IN LINE DEPARTMENT FORMS - 'LD FORMS'

Upon receipt of 'BM & LD Forms' and the Departmental Ceilings, the Administrative Departments are expected to go through the following process, step by step:



**GOVERNMENT OF KHYBER PAKHTUNKHWA
DEPARTMENTAL OUTCOMES AND OUTPUTS
2017-20**

- 1) Department:
- 2) Principal Accounting Officer (Name & Designation) :

- 3) Departmental Goal(s):

FORM LD- 1

| 4 | 5 | 6 | 7 |
|-----|------------|-----|-----------|
| S.# | Outcome(s) | S.# | Output(s) |
| | | | |
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FORM LD-1

INSTRUCTIONS FOR FILLING FORM LD-1

PURPOSE OF THE FORM

This form is designed to assist Line Departments in linking the departmental goal(s) to outcomes and outputs.

LOGIC OF INTERVENTION

This approach, which is being adopted under 'Output Based Budgeting', helps planners and managers to think through the logic of their interventions and its relationship with the Department's overall objectives. It requires the Department to specify how its activities, outputs and outcomes are linked.

This approach involves identification (in the following order) of department goal(s), outcomes, outputs and activities. The following terms relate to the 'logic of intervention' of a Department and are therefore grouped together:

This logic can then be tested by asking a series of 'if-then' questions, as follows:

If inputs (i.e. resources) are provided **then** activities can be undertaken –
If activities are undertaken **then** outputs will be produced –
If outputs are produced **then** outcomes will be achieved –
If outcomes are achieved **then** the department will have made progress towards achieving its overall goal(s).

Goal: A summary of the overall objective(s) to which the Department is aspiring. The goal provides a vision statement that embraces the desired future that the Department is working towards (e.g. increased national income, improved nutritional status of the overall population, reduced crime, and gender equality). Where a Department has multiple objectives that cannot be sub-summed within a single 'goal', it may have multiple goals, each with its own set of outcomes and outputs.

Outcome: The results (or impact) on a target population of a particular service (output) being delivered. Examples would include improved health for men and women, increased agricultural production, functional literacy, improved local management systems or capacity. Some results are immediately measurable; others come about only after a longer period of time. Outcomes reflect the intended results from government actions.

Output: A delivered service or product. Outputs are produced by activities. Outputs are delivered to an external party - usually the public, individually or collectively (e.g. infrastructure built/rehabilitated, licenses issued, provision of policy advice, investigations, vaccinations for boys and girls, better-trained staff). A particular output may be the result of a set of activities that is funded through the Current Budget, the Development Budget, or both. If the

logic of intervention has been designed correctly, the delivery of outputs will lead to the achievement of a successful outcome for the target population. Spending Units / DDOs/Schemes may produce departmental outputs, or they may contribute to the delivery of department outputs (in which case the term 'sub-output' may be useful). Outputs are the immediate result of an activity.

Activities: The specific tasks undertaken to achieve the required outputs (e.g. for water supply these may include design, site preparation, establishment of users committees, health and sanitation education, collection of local materials, tank construction, pipe laying, digging soak pits, commissioning etc.)

Inputs: The resources required to undertake activities that contribute to an output (e.g. money, personnel, equipment, materials etc.)

SPECIFIC INSTRUCTIONS

Serial Number 1. Self-Explanatory.

Serial Number 2. Self-Explanatory.

Serial Number 3. Write Departmental goal(s) here. There can be more than one goal of a line Department.

Serial Number 4. Serial Numbers provide a basis for referencing between line Department's forms. These should carefully be numbered. e.g., Outcome A can be assigned Serial Number 1.

Serial Number 5. Write the name of the Outcome(s). The outcome(s) should clearly be linked to output(s) defined in Serial Number 7. An outcome can have one or more than one output.

Serial Number 6. Serial Numbers provide a basis for referencing between line Department's forms. Each Output should be numbered separately but in reference to the outcome. E.g. Output A contributing to Outcome A can be assigned Serial Number 1.1. An Output B contributing to Outcome A can be assigned Serial Number 1.2.

Serial Number 7. Write the name of Output(s). The output(s) should clearly be linked to outcomes(s) defined in Serial Number 5. Ideally, one output should only contribute to one outcome, to keep the process simple.

**GOVERNMENT OF KHYBER PAKHTUNKHWA
DEPARTMENTAL STRATEGIC ALLOCATION OF CEILINGS
2017-20**

FORM LD-2

1. Department:
2. Principal Accounting Officer (Name & Designation):

PKR in Million

| 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
|-------------------------------------|-----------|-------------------------|--------------------------|--------------------|----------------------------|--------------------|-----------------|-----------------|---------------------------|--------------------------|-----------------|---------------------------|--------------------------|--------------------------|--------------------|
| Outcome(s) | Output(s) | Fund Centre Code/ADP NO | Description/ Scheme Name | Salary/ Non Salary | Current/ Development (R/D) | 2015-16 | 2016-17 | 2017-18 | | | 2018-19 | | | 2019-20 | Remarks/ Reference |
| | | | | | | Actual Expenditure | Original Budget | Baseline Budget | Change to Baseline Budget | Allocated Budget Ceiling | Baseline Budget | Change to Baseline Budget | Allocated Budget Ceiling | Allocated Budget Ceiling | |
| | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | |
| 19) Total Current Budget | | | | | | | | | | | | | | | |
| 20) Total Development Budget | | | | | | | | | | | | | | | |
| 21) Grand Total | | | | | | | | | | | | | | | |

INSTRUCTIONS FOR FILLING FORM LD-2

PURPOSE OF THE FORM

Firstly, the form helps Departments in allocating 'Medium Term Indicative Budgetary Ceilings' (communicated by Finance Department and Planning & Development Department) to its strategic priorities.

Secondly, the form helps in analyzing the impact of change in Departmental Plans (i.e. medium term baseline plan formed last year vs. the allocated budget ceilings this year).

Thirdly, the form also helps in analyzing allocation of ceilings to the Fund Center / Spending Units / DDOs / Schemes and mapping of these Spending Units / DDOs / Schemes onto outputs and outcomes.

SPECIFIC INSTRUCTIONS

Serial Number 1. Self-Explanatory

Serial Number 2. Self-Explanatory

Serial Number 3. Write the name of the Outcome(s). The outcome(s) should clearly be linked to output(s) defined in Serial Number 4. An outcome can have one or more than one output.

Serial Number 4. Write the name of Output(s). The output(s) should clearly be linked to outcomes(s) defined in Serial Number 3. Ideally, one output should only contribute to one outcome, to keep the process simple.

Serial Number 5. Write the 'Fund Center / Spending units / DDOs Code' for the Recurrent Budget OR 'ADP No.' for the developmental budget, which contributes to a particular output.

Serial Number 6. Write the description of the 'Fund Center / Spending units / DDOs or 'Development Scheme'.

Serial Number 7. For all Budget Estimates relating to the object head (A-01-employees related expenditure), write 'Salary'. For all other object heads, write 'Non Salary'.

Serial Number 8. Write 'R' for Current Budget Estimates and 'D' for Development Budget Estimates.

Serial Number 9. Write actual expenditure against each Fund Center / Spending unit / DDO / Scheme for the year 2015-16.

Serial Number 10. Write the Original Budget for 2016-17.

For two of the Medium Term Budget years (2017-18 and 2018-19) fill in the following six columns (Serial Number 11 – 16):

Serial Number 11. Write the Baseline Budget. This is the amount allocated in the previous budget preparation cycle of 2015-16. Years 2017-18 and 2018-19 were the outer years in the previous budget cycle.

- Serial Number 12.** This column is used for identification of any change in the Base (Previous) year allocation and this year Allocation to the Fund Center / Spending unit / DDO / Scheme. This column will be the difference of Column 13 & Column 11.
- Serial Number 13.** Make the distribution of ceilings for the year 2017-18 to different Fund Centers / Spending units / DDOs/ Schemes here as per the priorities of the department.
- Serial Numbers 14-16.** Fill these columns in the same way as columns 11 to 13.
- Serial Number 17.** Write the ceilings for the year 2019-20 as allocated to the different Fund Centers / Spending Units / DDOs / Schemes.
- Serial Number 18.** Write any remarks. References to any supporting documents can also be made.
- Serial Number 19.** Write the total of the Current budget for each of the columns from 9 to 17.
- Serial Number 20.** Write the total of the Development budget for each of the columns from 9 to 17.
- Serial Number 21.** Write the Grand totals (Current + Development) for each of the columns from 9 to 17.

INSTRUCTIONS FOR FILLING FORM LD-3

PURPOSE OF THE FORM

Based on the budget allocated, this form looks at medium term Indicators (Measures) and Targets for the Outputs defined in the LD-Form 1.

NOTE:

This form essentially capturing performance information shall be filled in at two levels:

1. Provincial/Department Level:
Identifying key performance indicators and targets to assess the overall progress of the Department.
2. District Level (Non-Devolved Departments/entities/offices):
Setting targets at the District and facility level against key performance indicators as per Para 1 above to assess progress against service delivery outputs. The district level performance information shall be separately furnished as addendum to LD-Form 3 (i.e.,for Provincial/Department level).
3. The Key Performance Indicators and Targets shall be gender disaggregated, where relevant/possible.

SPECIFIC INSTRUCTIONS

- Serial Number 1.** Self-Explanatory
- Serial Number 2.** Self-Explanatory
- Serial Number 3.** Serial numbers provide a basis for referencing between Line Department forms. These should carefully be numbered. The serial number assigned to Outputs in the Form LD – 1 should be used here.
- Serial Number 4.** Write the name of output(s). This should be the same as defined in the Form LD – 1.
- Serial Number 5.** Write Indicators here. This is the unit of measurement of Output. E.g.,one of the educational services can be measured through provision of College education services to the number of students enrolled every year.

Note 1: Departments should prepare standard list of indicators and send it to the Fund Center / Spending units / DDOs / Project Managers along with the Fund Center / Spending unit / DDOs forms and the budget ceilings. Fund Center / Spending units / DDOs will provide targets for the relevant indicators. If the Fund Center / Spending units / DDO's cannot find the relevant indicators, they can suggest the new ones and provide target as well. LD-3 will show the consolidated picture of the indicators and targets.

Note 2: Where possible, the Indicators/Measures and Targets should be broken into gender related information. For example, college education being an output (service) of Higher Education Department can have two

indicators/measures namely; Number of degree & postgraduate colleges male and female. These two can be assigned different targets.

- Serial Number 6.** Write the Targets for 2016-17 as per the “**MEDIUM TERM BUDGET ESTIMATES FOR SERVICE DELIVERY 2016-17**” against the indicators mentioned in Serial Number 5.
- Serial Number 7.** Write the Progress for 2016-17 against the targets mentioned in the serial number 7.
- Serial Number 8.** Write medium term targets here for the year 2017-18.
- Serial Number 9.** Write medium term targets here for the year 2018-19.
- Serial Number 10.** Write medium term targets here for the year 2019-20.
- Serial Number 11.** Write remarks if any.

PURPOSE OF THE MEDIUM TERM BUDGET ESTIMATES FOR SERVICE DELIVERY

This report is designed to assist the presentation of Medium Term Output Based Budget for 2017-20. The information on this report will be derived from the budget preparation forms for line Departments LD 1-3, Annual Development Plan and the BM Forms. The concerned Principle Accounting Officer shall approve this report. This report will help different stakeholders in analyzing the cost of services (outputs) and their effect (outcomes) in the medium term as well as the performance of the Departments during the preceding year and the performance targets for the next three years.

The layout of the OBB as depicted below does not need to be filled in manually. But rather the same can be generated using the comprehensive LD-3 Form. Specimen (FORMAT) of 'MEDIUM TERM BUDGET ESTIMATES FOR SERVICE DELIVERY' is given in '**Annexure-B**'. Once finalized and approved, the same needs to be submitted to the concerned Budget Officer in Finance Department within the stipulated time-period as per the Budget Calendar.

SPECIMEN FOR MEDIUM TERM BUDGET ESTIMATES FOR SERVICE DELIVERY

NAME OF THE DEPARTMENT

VISION OF THE DEPARTMENT

“ ”

POLICY

“ ”

DEPARTMENTAL OUTCOME (S) & OUTPUT(S)

| OUTCOMES | OUTPUTS |
|-----------------|----------------|
| 1..... | 1.1.... |

STRATEGIC OVERVIEW

What is the department doing? Its functions and any change in it after government’s reforms.

ACHIEVEMENT(S)

Last year: (2016-17) Targets and Achievements.

PRIORITY & FUTURE PLANS(S)

What are the priorities of the Department?
What are the futures plans of the Department i.e. plans for fiscal year 2017-20.

MEDIUM TERM BUDGET ESTIMATES: BY MAJOR TYPE OF EXPENDITURE

| Major Object Head | Original Budget 2016-17 | Budget Estimate(s) 2017-18 | Budget Forecast(s) 2018-19 | Budget Forecast(s) 2019-20 |
|-------------------------------|-------------------------------|----------------------------------|----------------------------------|----------------------------------|
| A01-Employee Related Expenses | | | | |
| A03-Operating Expenses | | | | |
| --- | | | | |
| Grand Total | | | | |

MEDIUM TERM BUDGET ESTIMATE(S) BY OUTCOME(S) & OUTPUT(S)

| Description | Original Budget 2016-17 | Budget Estimate(s) 2017-18 | Budget Forecast(s) 2018-19 | Budget Forecast(s) 2019-20 |
|---------------------|-------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 1)Outcome | | | | |
| 1.1)Output | | | | |
| Salary | | | | |
| Non-Salary | | | | |
| Development/Capital | | | | |
| Grand Total | | | | |

KEY PERFORMANCE INDICATOR(S) AND MEDIUM TERM TARGET(S)

| Outcome(s)/Output(s) | Key Performance Indicator(s) | Targets | Progress | Medium Term Targets | |
|----------------------|------------------------------------|---------|----------|---------------------|---------|
| | | 2016-17 | | 2017-18 | 2018-19 |
| 1) Outcome | | | | | |
| 1.1)Output | 1.1.1) KPI | | | | |

SECTION - II

BUDGET PREPARATION FORMS, GUIDELINES & PROCEDURES
FOR SUBMISSION OF REVISED ESTIMATES '2016-17' & BUDGET
ESTIMATES '2017-18' IN RESPECT OF GOVERNMENT OF
KHYBER PAKHTUNKHWA CURRENT EXPENDITURE & RECEIPTS

**FOR
FUND CENTERS/ SPENDING UNITS/DDOs**

IMPORTANT NOTES

1. No re-appropriations will be made in Developmental Budget by the Administrative Departments as well as P&D Department, after reconciliation meetings.
2. The Form BM-6 for financial year 2017-18 will be prepared at the level of concerned Department/Office, and submit the same to Finance Department, duly verified by Accountant General, Khyber Pakhtunkhwa or concerned District Accounts Office, as the case may be.
3. The Non-devolved Departments/Offices shall submit their respective Budget Estimates 2017-18 on spending DDO level.
4. The prescribed Forms (BM-1,2,6,9 & 20) duly filled in, indicating expenditure and number of posts duly verified by the Audit Office shall have to be returned to the concerned Budget Officer in Finance Department in accordance with the time schedule shown in **Appendix-B**.

GUIDELINES/PROCEDURES FOR SUBMISSION OF REVISED ESTIMATES 2016-17 AND BUDGET ESTIMATES 2017-18 IN RESPECT OF CURRENT EXPENDITURE AND RECEIPTS

1. Detailed procedure for preparation and submission of Budget Estimates and Revised Estimates has been outlined in the Budget Manual and General Financial Rules. A time schedule for the submission of Revised Estimates 2016-17 and Budget Estimates 2017-18 in respect of Current Expenditure and Receipts of the Provincial Government is at **Appendix - B**, which has to be followed in letter and spirit.
2. This time-schedule is indicative of the stages and procedure adopted by the Finance Department before budget documents are printed. The successful preparation of the budget estimates and timely printing of the budget documents however, requires concerted efforts on the part of all the Administrative Departments, the Audit and Accounts Offices and the Finance Department. It is, therefore, imperative that the time-schedule is strictly adhered to and possible cooperation extended to Finance Department in the supply of material and information, as per past practice.

REVISED ESTIMATES 2016-17 (BM-20)

3. The preparation of Revised Estimates 2016-17 have to precede the framing of Budget Estimates 2017-18. The following factors need to be particularly taken into consideration while preparing the Revised Estimates:-
 - i) Actual for the first 5 months for the current financial year 2016-17.
 - ii) Actual for last 7 months of the last financial year 2015-16.
 - iii) Orders issued or proposed to be issued regarding: -
 - (a) Appropriation or re-appropriation within the sanctioned grant.
 - (b) Surrenders already made or likely to be made due to any other relevant factors.
 - iv) Any other relevant factors.
 - v) Detailed reasons for variation.
4. The Revised Estimates 2016-17, so prepared, may be furnished to Finance Department indicating therein the breakup of the Excess and Surrenders or Re-appropriation From and To as well as Supplementary so as to reflect the same in the releases advices of Revised Estimates.

5.

BUDGET ESTIMATES 2017-18 (BM- 1 & 2)

6. Estimates of current expenditure are required to be prepared in the following manner:
- i) Budget Estimates shall be prepared at the level of spending DDO both in the case of Current/Development Expenditure and Receipt Estimates;
 - ii) Departments are required to submit their Budget Estimates by carrying out a detailed exercise in order to assess the needs for the next financial year to avoid seeking supplementary or additional grants at the very onset of the financial year 2017-18.
 - iii) POL and Telephone estimates must be accompanied by detailed statement indicating the Designation of Officer, entitlement of vehicle/telephone and ceiling for making budgetary allocations.
 - iv) The Budgetary allocations for development schemes transferred to current side will continue to be kept temporarily in Schedule of New Expenditure (Continued) for the period of **two (2) years** and thereafter, will be merged into regular budget subject to necessary scrutiny.

SCHEDULE OF NEW EXPENDITURE (FRESH) 2017-18 (BM.9)

7. While submitting SNE (Fresh) proposals, the following details/information shall have to be furnished by the Administrative Departments, so as to ensure timely and logical decision in the matter:
- a) All relevant documents i.e PC.IV, Administrative Approval, Mutation Deed, Handing/taking over certificate, Site plan and other relevant documents, as mentioned in the prevailing policy guidelines.
 - b) Detail of vehicles and year of purchase as well as the names of the officers to whom such vehicles have been allotted.
 - c) Condemnation Certificate of existing unserviceable vehicles for purchase of new vehicles.
 - d) Detail of existing sanctioned strength of posts with sufficient justification fulfilling formalities for establishment of new offices/creation of posts and post-wise financial implication;
 - e) Detail of existing Physical Assets such as Hardware, Machinery and Equipment, Furniture and Fixture etc. with the year of purchase indicating budgetary provisions.

CONSTITUTIONAL PROVISIONS AS TO THE INCLUSION OF ESTIMATES IN THE DEMANDS FOR GRANTS AND APPROPRIATIONS

8. In terms of Article 120 of the Constitution, the estimates of expenditure included in the Budget Estimates shall show separately:-
- The sums required to meet expenditure described by the Constitution as expenditure charged upon the Provincial Consolidated Fund; and

- The sums required to meet other expenditure proposed to be made from the Provincial Consolidated Funds, and shall distinguish expenditure on revenue account from other expenditure.
9. The following expenditure shall be charged upon the Provincial Consolidated Fund, according to Article 121 of the Constitution:-
1. The remuneration payable to the Governor and other expenditure relating to his office and the remuneration payable to:-
 - a. The Judges of Peshawar High Court.
 - b. The Speaker and Deputy Speaker of the Provincial Assembly.
 2. The administrative expenses, including the remuneration payable to officers and servants, of the High Court and the Secretariat of the Provincial Assembly.
 3. All debt charges for which the Provincial Government is liable including interest, sinking fund charges, the repayment or amortization of capital and other expenditure in connection with the raising of loans, and the service and redemption of debt on the security of the Provincial Consolidated Fund.
 4. Any sums required to satisfy any judgment, decree or award against the Province by any Court or Tribunal; and
 5. Any other sums declared by the Constitution or by Act of Provincial Assembly to be so charged.

Note:- "Remuneration", according to the Constitution, includes salary and pension.

ECONOMY IN CURRENT EXPENDITURE

10. The measures for economy in expenditure outlined in the instructions issued by this Department from time to time, as well as other requirements applicable in general to the preparation of the estimates should be strictly followed. Scarce resources have to be conserved to meet urgent development needs of the Province. New proposals regarding current expenditure should ordinarily be made after affecting all possible economies within the existing budget grant. Any rise in the level of current expenditure other than items of inevitable nature (such as annual increments) will require full justification, which should invariably be furnished.
11. **To remove any doubt or difficulty, if any, all concerned may consult Finance Department.**

BM-1

ESTIMATES OF RECEIPTS AND EXPENDITURE ON PERMANENT ACTIVITIES

(Referred to in Chapter 4,5,6)

| Major & Minor Head of Accounts/ Functions (a) | Actual 2015-16 (b) | Sanctioned Estimates 2016-17 (c) | Revised Estimate/ Modified Grant 2016-17 (d) | Budget Estimates 2017-18 Proposed by (e) | | | Forecast 2018-19 (f) | | | Forecast 2019-20 (g) | | |
|---|--------------------|----------------------------------|--|--|---------------------|--------------------|----------------------------------|---------------------|---------------|----------------------------------|---------------------|--------------------|
| | | | | Collecting or Disbursing Officer | Controlling Officer | Head of Department | Collecting or Disbursing Officer | Controlling Officer | Head of Dept. | Collecting or Disbursing Officer | Controlling Officer | Head of Department |
| | Rs | Rs | Rs | Rs | Rs | Rs | Rs | Rs | Rs | Rs | Rs | Rs |
| Total | | | | | | | | | | | | |

District

Controlling

Collecting

Head of Dept.

Disbursing Officer

-
- (a) In certain cases, the forms are printed with the details under minor heads and detailed heads filled in.
- (b) The financial year just closed should be entered here before the forms are printed.
- (c) The current financial year should be filled in here before the forms are printed. The sanctioned Estimates of the current financial year should be printed in this column before the Forms are distributed.
- (d) Here also the current financial year should be filled in before the forms are printed. In the forms, relating receipt "Revised Estimates" should be retained, whereas in those relating to expenditure "Modified grant" should be printed. The modified grant relating to expenditure should give the amount under each Primary Unit, which has been allotted to the Disbursing Officer up to-date. Only totals by Primary Units should be given.
- (e) Here the coming financial year should be filled before the forms are printed. Under this, an additional column for "Regional Head" may be added wherever necessary.
- (f) Forecasts for 2017-18 are to be made as per the existing policy and future requirements within the limit of ceilings provided for these years.
- (g) Forecasts for 2019-20 are to be made as per the existing policy and future requirements within the limit of ceilings provided for these years.

BM-2

ESTIMATES OF RECEIPTS/EXPENDITURE BY HEADS OF DEPARTMENT AND FINANCE DEPARTMENT

(Referred to chapters 4,5,6,8 & 10 of Budget Manual)

| Major head/ function Sub-head/ function and primary units of appropriation | Number of Posts | | Accounts (Financial year just closed) | Budget Estimates (Current Financial year) | Revised Estimates (Current Financial year) | Budget Estimates (Coming financial year) | Budget Forecast | Budget Forecast | Budget Estimates (Financial year just closed) | Accounts 2014-15 (Financial year immediately preceding the one just closed) | Accounts 2013-14 (Financial year before the immediately preceding financial year just closed) | Actual of the last eight months of the financial year just closed | Actual of the first 4 months of the current financial year | Revised Estimates (Current financial year proposed by the head of the Dept | Budget proposed by the Head of Dept. for the coming financial year 2017-18 | | | | | | | |
|--|------------------------------|---------------------------|--|---|--|--|--------------------|--------------------|---|--|---|--|---|--|--|---------|---------|---------|---------|---------|---------|---------|
| | Current Financial year | Next Financial year | | | | | | | | | | 2015-16 | 2016-17 | 2016-17 | | 2017-18 | 2018-19 | 2019-20 | 2015-16 | 2015-16 | 2016-17 | 2016-17 |
| | 2016-17 | 2017-18 | | | | | | | | | | 2015-16 | 2016-17 | 2016-17 | | 2017-18 | 2018-19 | 2019-20 | 2015-16 | 2015-16 | 2016-17 | 2016-17 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | | | | | | | |
| | | | | (a) | | (b) | (c) | | (d) | | | | | (e) | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |

- i. Preprinted BM-2 may be obtained, containing the Budget Estimates 2016-17.
- ii. The salary budget may be picked from BM-6.
- iii. Forecasts for 2018-19 & 2019-20 are to be made as per the existing policy and future requirements within the limit of ceilings provided for these years.
- iv. Estimates adopted by the Finance Department to be entered here.
- v. To be printed before the forms are supplied.

Note - On the top of the forms, the following will be inserted by Finance Department for the purpose of Budget Books.

Receipt

Major Head

Rs. _____

 Total Receipts _____
 Head of Department: _____

Expenditure

Demand No: _____
 Function: _____
 Charged: _____
 Voted: _____
 Grand Total: _____
 Head of Department: _____

Rs.

NOTE: Figures in column 3 'No. of posts 2017-18 must tally with the number of posts provided through BM-6 with sanctioned posts.

BM-6

(Refer to in Chapter 5)

STATEMENT OF DETAILS OF PROVISION PROPOSED FOR BASIC PAY AND ALLOWANCES OF THE OFFICERS/OFFICIALS

For the Year 2017-18

Department:

District:

Scheme/DDO Code:

Scheme/DDO Name:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | | | 11 |
|----|-----------------------------|------|-------------|-----|----------------------------|---------|---|--|---|------------------------|----------------------------|----------------------------------|----------------------|--|
| | | | | | Sanctioned Pay of the post | | | Amount of provision for the coming FY at the rate as mentioned in column 8 | Detail of Regular Allowances (A012-1) and Other Allowances (A012-2) | | | | | Total provision for coming FY (Col.9-10) |
| S# | Personnel No as per Payroll | Name | Designation | BPS | Minimum | Maximum | Actual Pay (BASIC PAY) Due on 1 st December of the coming FY | | (i) HRA | (ii) Medical Allowance | (iii) Conveyance Allowance | (iv) Any other Regular Allowance | (v) Other Allowances | |
| 1. | | | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | | | |

Note: - Department/Offices may update the information by providing the following information:

- (a) Separate BM.6 may be prepared for every spending level DDO as reflected in the budget books e.g. every college, District Head Quarter Hospital etc.
- (b) BM.6, so prepared, may be forwarded to Finance Department, duly verified by concerned Audit Office.
- (c) Details of vacant posts alongwith object-wise details of funds claimed in the Budget Estimates 2017-18.

Date:

Designation and Signature of Officer

BM-9

(Refer to Chapter 8 & 9)

SCHEDULE OF NEW EXPENDITURE PROPOSED BY THE _____ FOR
INCLUSION IN THE BUDGET ESTIMATES FOR 2017-18

Major Function _____

| 1 | 2 | 3 | | | 4 | 5 | 6 | | | 7 | | |
|--|--------------------------|---|-----------|-------|----------------------------------|--|-----------------------------|-----------|-------|-----------------------------|-----------|-------|
| Major function and Primary Unit of Appropriation | Particulars of Scheme | Amount to be spent during the year * 2017-18 (coming financial year) | | | Foreign Exchange Component | No. and Date Finance Department Sanction (a) | Forecasts 2018-19 (b) | | | Forecasts 2019-20 (c) | | |
| | | Non- Recurring | Recurring | Total | | | Non- Recurring | Recurring | Total | Non- Recurring | Recurring | Total |
| | | | | | | | | | | | | |

* That is in the year for which the schedule is prepared.

Note:-

- i. The Schedule to be prepared for each minor function separately.
- ii. No Scheme should be entered in this schedule if funds have been proposed for it in the estimates of expenditure on permanent activities.

(a) To be filled in at the time of submission of ten (10) copies for SNE meeting.

(b) & (c) Forecasts for 2018-19 & 2019-20 are to be made as per the existing policy and future requirements within the limit of ceilings provided for these years

BM-20**2ND STATEMENT OF EXCESS & SURRENDER.****MAJOR HEAD****(Amount in Rs.)**

| Minor Head/ Function | Primary Unit | Original Appropriation of the current financial year | Modified Grant | Actual for last 7 months 2015-16 | Actual for 1st 5 months 2016-17 | Total Columns (5 & 6) | Anticipated Expdt: for remaining 7 months 2016-17 | Total Expdt: for 2016-17 (R.Es) (Col: 6+8) | Surrenders | Excess | R.Es Adopted by FD for 2016-17 |
|---------------------------------|---------------------|---|-----------------------|---|---|----------------------------------|--|---|-------------------|---------------|---------------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |

Note:-

- i. Reasons between the Column 6 + 8 as reflected at per Column No.9 and the total 12 months actual appearing in Column-7 above be given.
- ii. Details of vacant posts alongwith object-wise details of funds claimed in the Revised Estimates 2016-17 on account on their pay and allowances be given.
- iii. A separate statement showing Designation wise / Domicile wise detail of Surplus Staff (BPS 1 to 15), if any, must be accompanied with the proposed Revised Estimates.
- iv. Justification for anticipated expenditure as per Column No.8 be given.
- v. A separate statement showing detail of Salary/allowances for the month of December 2016 may also be added, if the R.Es meetings have been scheduled in January/February 2016.

APPENDIX-B

| SCHEDULE FOR CURRENT EXPENDITURE | | | | | | | |
|---|-------------------------|--|--|---------------------------------------|-----------------------|-----------------------|-------------|
| ITEM | B.M. Forms Distribution | Due Date of Submission to Finance Department | Examination & Finalization by Finance Department | Communication to Computer Wing (FMIU) | 1 st Proof | 2 nd Proof | Final Proof |
| 1st Edition Budget | 08.12.2016 | 30.01.2017 | 28.02.2017 | 01.03.2017 | 14.03.2017 | 21.03.2017 | 04.04.2017 |
| SNE (Contd.) | 08.12.2016 | 30.01.2017 | 28.02.2017 | 01.03.2017 | 14.03.2017 | 21.03.2017 | 04.04.2017 |
| SNE(Fresh) | -- | 30.01.2017 | 28.02.2017 | 01.03.2017 | 14.03.2017 | 21.03.2017 | 04.04.2017 |
| Revised Estimates 2016-17 | 08.12.2016 | 26.12.2016 | 02.01.2017 to 20.02.2017 (meeting) | 24.02.2017 | 03.03.2017 | 10.03.2017 | 20.03.2017 |
| Supplementary Budget Estimates | -- | 26.12.2016 | 06.03.2017 | 08.03.2017 | 14.03.2017 | 21.03.2017 | 28.03.2017 |

| SCHEDULE FOR CURRENT EXPENDITURE (MTBF/OBB) | | | |
|--|--|---------------------------------------|----------------------|
| S# | Activities | Responsible | Deadline (last date) |
| 1. | Review of Goal(s), Outcome(s), Output(s) and Performance Indicator(s) of the Department | Administrative Department | 09.12.2016 |
| 2. | Strategic Allocation of Departmental Ceilings (Recurrent) by Departmental Outcome(s), Output(s) and Fund Centers/Spending Units/DDOs. | Administrative Department | 14.12.2016 |
| 3. | Issuance of Recurrent Ceilings along with 'Section-1 [LD-3 Form]' & Section-II [BM Forms]' to all the Funds Centers/Spending Units/DDOs. | Administrative Department | 16.12.2016 |
| 4. | Submission of 'Section-1 [LD-3 Form]' & Section-II [BM Forms]' to Administrative Department. | Fund Centers/Spending Units/DDOs | 04.01.2017 |
| 5. | Review & Consolidation of 'BM Forms & LD-3' Forms | Administrative Department | 25.01.2017 |
| 6. | Submission of 'Section-II (BM Forms)' to Finance Department. | Administrative Department | 30.01.2017 |
| 7. | Examination, 1 st Review of 'BM Forms' and submission to FMIU (Computer Wing) | Budget Sections of Finance Department | 01.03.2017 |
| 8. | Meetings on 'Revised Estimates 2016-17' (to be concluded) | Finance Department | 30.01.2017 |
| 9. | Letter of Indicative Budget Ceilings (3 years) to Administrative Departments for Development Budget Estimates. | P&D Department | 21.12.2016 |

| SCHEDULE FOR CURRENT EXPENDITURE (MTBF/OBB) | | | |
|--|---|---|-----------------------------|
| S# | Activities | Responsible | Deadline (last date) |
| 10. | Strategic allocation of Departmental Ceilings (Development) by Departmental Outcome(s), Output(s) and Programme/Schemes. | Administrative Department | 19.01.2017 |
| 11. | Submission of Updated Section-I Forms (LD-1-3) to Finance Department and allied data on prescribed format for printing of 'MEDIUM TERM BUDGET ESTIMATES FOR SERVICE DELIVERY (2017-20) to Finance Department. | Administrative Departments | 16.03.2017 |
| 12. | Budget Review Meetings (to be concluded) | Finance, P&D and Administrative Departments | 28.03.2017 |
| 13. | Finalization of 'Medium Term Budget Estimates for Service Delivery 2017-20' (MEDIUM TERM BUDGET ESTIMATES FOR SERVICE DELIVERY) | MTBF Cell Finance Department | 03.04.2017 |
| 14. | Finalization of 'Budget Books (Demand for Grants) 2017-18. | Computer Wing/ FMIU Finance Department. | 03.04.2017 |

| SCHEDULE OF RECEIPTS | | | | | | | |
|--|--------------------------------|-------------------------------------|---|--|--|-----------------------------|--------------------|
| ITEM | B.M. Forms Distribution | Due date of submission to FD | Examination & Finalization by Finance Department | Review by Finance Secretary. | Communication to Computer Wing (FMIU) | 1st Proof | Final Proof |
| BEs 2017-18 R.Es 2016-17 | 10.12.2016 | 22.12.2016 | 30.01.2017 | 06.02.17 to 10.02.17 (Meetings) | 16.03.2017 | 21.03.2017 | 04.04.2017 |
| New taxation proposals/ Fee/Tariff etc. | -- | 27.02.2017 | 14.03.2017 | -- | -- | -- | -- |

| SCHEDULE FOR DEVELOPMENT BUDGET | | | | | | | |
|--|--------------------|--|-----------------------------|---------------------------------------|-----------------------|-----------------------|-------------|
| ITEM | Due date in P&D/FD | Supply of Master Copy of ADP 2017-2018 | Preparation of Budget by FD | Communication to Computer Wing (FMIU) | 1 st Proof | 2 nd Proof | Final Proof |
| Consolidated re-appropriation on a/c 1 st quarter Review in P&D | 10.12.2016 | -- | | | | | |
| Consolidated re-appropriation on a/c 2 nd Quarter Review in P&D | 02.01.2017 | -- | | | | | |
| Consolidated re-appropriation on a/c 3 rd quarter review in P&D | 02.03.2017 | -- | | | | | |
| Reconciliation of R.Es with concerned departments | *10.03.2017 | -- | | | | | |
| Development Budget | -- | 20.03.2017 | 27.03.2017 | 28.03.2017 | 30.03.2017 | 03.04.2017 | 05.04.2017 |
| Supplementary Budget | -- | -- | 27.03.2017 | 28.03.2017 | 30.03.2017 | 03.04.2017 | 05.04.2017 |

*NO RE-APPROPRIATION WILL BE MADE IN DEV: BUDGET BY THE ADMINISTRATIVE DEPARTMENTS AS WELL AS P&D DEPARTMENT, AFTER RECONCILIATION MEETINGS.

Note: The Administrative Departments will continue their Development Budget i.e. ADP and its submission to P&D Department as per prevailing practice and time line. Development Budget Estimates are, however, to be properly incorporated in 'LD-2 Form' of 'Section-I' for preparation and finalization of Budget Books 2017-18.