

# ***THE SIND GOVERNMENT GAZETTE***

KARACHI, TUESDAY MAY 28, 1985.

## **PART 1**

### **GOVERNMENT OF SIND**

#### **HOUSING, TOWN PLANNING, LOCAL GOVERNMENT AND RURAL DEVELOPMENT DEPARTMENT**

#### **NOTIFICATION**

Karachi, the 19<sup>th</sup> May, 1985.

No. SLGB/SCUG/CAO/LO/540/2114.—In exercise of the powers conferred by Section 103 read with sub-section (1) of Section 72 of the Sind Local Government Ordinance, 1979 and item No. 14 of Schedule VII thereto, the Government of Sind are pleased to make the following Rules :—

### **CHAPTER-1**

#### **PRELIMINARY & DEFINITIONS**

1. (1) These rules may be called the Sind Council (Budget) Rules, 1985. Short title and commencement.  
(2) They shall come into force at once.

2. In these rules unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, that is to say—

- (a) “Appropriation” means the amount of the budget grant for a particular unit;
- (b) “Department” means a Department of the Council under the Sind Councils (Conduct of Business) Rules, 1980;
- (c) “Form” means a form appended to these rules;
- (d) “Head” means a Head of Expenditure referred to in sub-rule (2) of Rule 6;
- (e) “Ordinance” means the Sind Local Government Ordinance 1979;
- (f) “Schedule” means a Schedule of the Budget;
- (g) “Sub-Head” and “Unit” respectively means a Sub-Head or Unit or Expenditure referred to in sub-rule (2) of rule 6;

- (h) “Unforeseen Expenditure” shall include expenditure for which no specific head of expenditure is provided in the budget;
- (i) “Volume” means a Volume of the Budget;
- (j) Revised Estimates” means estimates of the receipts & expenditure for the current financial year based on the transactions already under-taken and anticipations for the remaining period of the financial year.

3. The budget shall extend over two volume, namely Volume I and Volume II. Volume of the budget.

4. Volume-I shall comprise—

- (a) Estimates of Revenue;
- (b) Estimates of Expenditure;
- (c) Statement of the Demands for grants;
- (d) Financial Abstract;
- (e) Schedule of New Expenditure;
- (f) Schedule of Development Expenditure;
- (g) Schedule of Charged Expenditure;
- (h) Schedule of Establishment;
- (i) Schedule of Contingencies;
- (j) Schedule of Works;
- (k) Schedule of Liabilities;
- (l) Schedule of Arrears;
- (m) Schedule of Miscellaneous Funds; and
- (n) Schedule of Taxes.

5. (1) The Estimates of Receipt shall be in Form B-1 and shall provide for the budget estimates for the ensuing year, the revised estimates for the current year, the sanctioned estimate for the current year and the actual figures for the preceding year. Estimates of Revenue.

(2) The items of income specified in Form B-1 may be adopted, modified, replaced, or new item introduced according to the requirements of the council.

6. (1) The estimates of Expenditure shall be in form B-2 and shall provide for the budget estimates for the ensuing year, the revised estimates for the current year, the sanctioned estimates for the current year, and the actual figures for the preceding year. Estimates of Expenditure.

(2) Every Department shall form a Head of the Budget and every Head shall be divided into a number of sub-Heads and every sub-Head into Units as shown in Form B-2, or in such other manner as may be specified by the council to suit its requirements.

(3) A provision shall be made in the estimates of expenditure against each unit and such provision shall be referred to as an appropriation.

7. The Statement of the Demands for grant shall be in Form B-3, wherein a demand for grant shall be raised for each sub-Head. Statement of Demands for Grant.

8. The Financial Abstract shall be in Form B-4, and shall contain such statistical data as the council may, from time to time, specify with a view to giving a clear picture of the financial operations and principal activities of the council. Financial Abstract.

9. The Schedule of New Expenditure shall be in Form B-5, and shall provide for the details about each item of new expenditure included in the budget. Schedule of New Expenditure

10. The Schedule of Development Expenditure shall be in form B-6, and shall provide for the details about each item of development expenditure in the context of the development plan of the council included in the budget. Schedule of Development Expenditure.

11. The Schedule of Charged Expenditure shall be in Form B-7, and shall provide for the details about each item of charged expenditure included in the Budget. Schedule of Charged Expenditure.

12. The Schedule of Establishment shall be in Form B-8, and shall furnish the necessary particulars about the establishment and establishment charges under various sub-Heads. Schedule of Establishment.

13. The Schedule of Contingencies shall be in Form B-9, and shall contain a detailed break-up of the estimates of Contingencies under various sub-Heads. Schedule of contingencies.

14. The Schedule of Works shall be in Form B-10. and shall contain a detailed break-up of various works provided for under various sub-Head, and it shall be divided in to two section, the first section, containing necessary particulars about the works pertaining to repairs and maintenance, with the second section containing necessary particulars about all original works. Schedule of Works.

15. The Schedule of liabilities shall be in Form B-11 and shall contain estimates of the liabilities of the previous years proposed to be met during the ensuing year. Schedule of Liabilities.

16. The Schedule of Arrears shall be in Form B-12 and shall furnish full particulars about the arrears under various items of income, and the estimates of revenue under various items likely to be realised on account of arrears, and included in the estimates of income. Schedule of Arrears.
17. The Schedule of Miscellaneous Funds shall be in Form B-13, and shall furnish particulars about opening balance, income expenditure and closing balance with regard to suspense accounts, depreciation funds, provident fund accounts, investments and other funds maintained by a council. Schedule of miscellaneous funds.
18. The Schedule of Taxes shall be in Form B-14 and shall contain a digest of the various taxation proposals prepared in accordance with the Sind Councils (Imposition of taxes) rules, 1979. Schedule of Taxes.
19. Volume II shall consist of the Explanatory Memorandum to explain the provisions contained in the Estimates and the Schedules. Volume II.
20. The Explanatory Memorandum shall be divided into parts and each part shall deal with one Estimate, statement, or schedule. Explanatory Memorandum.
21. While explaining various provisions in the Estimates of Revenue, the explanatory Memorandum shall review the various sources of income how far such sources are productive or otherwise to what extent such sources have been exploited and can still be exploited and the problem arising with regard to each item of income, and the manner in which such problems are proposed to be tackled. Explanation of Estimates of Revenue.
22. While explaining various provisions in the Estimates of Expenditure, the Explanatory Memorandum shall among other matters review the Principal activities of the council under various fields indicating the performance targets already achieved and proposed to be achieved in the ensuing year. Explanation of Estimates of Expenditure.
23. While explaining the statement of the Demands for grants such points as need special notice of the council shall be indicated and explained. Explanation of the Statement of Demand for grants.
24. While explaining the Financial Abstracts, the Explanatory memorandum shall contain a general review of the finances of the council and this may include such graphs, charts and diagrams as may be necessary to illustrate the council. Explanation of the Financial Abstracts.
25. While explaining the provisions in the Schedule of New Expenditure, each item of new expenditure shall be numbered, and full particulars shall be given about the history of the case, the expenditure involved, the justification for the proposed expenditure, and the receipts if any. Explanation of the Schedule of New Expenditure.

26. While explaining the provisions in the Schedule of Development Expenditure, the explanatory memorandum shall review the Development plan of the council the extent to which such plan has already been executed and the extent to which it is proposed to be executed in the ensuing year. Explanation of the Schedule of Development Expenditure.
27. While explaining the provisions in the Schedule of charged Expenditure, each item of Charged Expenditure shall be numbered, and full details shall be furnished about each item. Explanation of charged Expenditure.
28. While explaining the provisions in the schedule of Establishment, full details shall be furnished about the staff employed under various branches, and where new establishment is proposed to be employed during the ensuing year full justification therefore shall be given. Explanation of the schedule of Establishment.
29. While explaining the provision in the Schedule of the Contingencies, full details shall be furnished in justification of Expenditure on various items of contingencies with particular reference to new items and such items on which expenditure is proposed to be increased. Explanation of the contingencies.
30. While explaining the provisions in the schedule of Works, each work shall be numbered, and full particulars shall be furnished about the justification for each work, the probable cost, the period during which it will be executed, the manner in which it will be financed the agency through which it will be executed, and the likely benefits to accrue from the execution of the works. Explanation of Schedule of Works.
31. While explaining the provisions in the schedule of Liabilities, each item shall be numbered, and full details shall be furnished about each item. Explanation of Schedule of Liabilities.
32. While explaining the provisions in schedule of Arrears, each item shall be numbered and full details shall be furnished for each item including the reasons for the accumulation of arrears, and the steps proposed to be taken for recovery of the arrears. Explanation of Schedule of Arrears.
33. While explaining the provisions in the Schedule of Miscellaneous funds, each fund shall be numbered, and full details shall be furnished about each fund. Explanation of Schedule of Miscellaneous funds.
34. While explaining the Schedule of Taxes each tax shall be numbered, and full particulars shall be furnished about each tax and the financial implications thereof. Explanation of Schedule of Taxes.

## CHAPTER II PRINCIPLES OF BUDGETING

35. (1) Estimates of Revenue in the Budget shall be as accurate as possible, and shall neither be inflated, nor under-pitched.

Basis of preparation of estimates of revenue.

(2) In preparing the estimates, the receipt during the preceding years, the receipt during the current year, the various economic factors regulating such receipts and other relevant facts shall be given due consideration.

36. No fresh receipt on account of Government grant, or contribution by any other authority shall be shown in the estimates on the revenue side unless a definite communication in writing under-taking the payment of such amount has been received from Government or the authority concerned, as the case may be.

Receipts on account of Government Grants or other contributions.

37. No receipt shall be shown in the estimates on the revenue side on account of any tax, fee, loan charge or other levy unless such tax, fee, loan, charge or other levy has been sanctioned by the competent authority.

Receipts on account of tax, fee etc. Revenue Income Margin

38. Revenue Income during any year shall be the total income excluding the income from capital receipts and the receipts from arrears.

39. Capital receipts shall mean the income from;

- (a) the sale of immovable property;
- (b) the disposal of capital assets;
- (c) the sale of investments;
- (d) the Loans, arrears; and
- (e) the Grants and other receipts of a non-recurring nature.

40. (1) Revenue Expenditure during any year shall be the total expenditure excluding the development expenditure, the capital expenditure not included in the development expenditure and the expenditure to meet liabilities.

Revenue Expenditure.

(2) The rise in Revenue Expenditure during any year shall not exceed the corresponding rise in revenue income, and additional liabilities on account of revenue expenditure shall not be undertaken unless the sources of income are developed in the first instance to meet such expenditure.

41. Capital expenditure shall mean the expenditure for—	Capital Expenditure.
<ul style="list-style-type: none"> <li>(a) acquisition of immovable property;</li> <li>(b) execution of original works;</li> <li>(c) purchase of investments;</li> <li>(d) acquisition of capital assets; and</li> <li>(e) any grant or contribution of a non-recurring nature</li> </ul>	
42. Except with the sanction of the Government no capital receipt shall be diverted to meet expenditure on revenue account.	Prohibition divert Capital receipts.
43. A Council may, and if required by Government, shall earmark any receipts for expenditure on specified items, and if any items are earmarked, the receipts therefore shall not be diverted to meet expenditure on any items other than the items for which such receipts are earmarked.	Earmarking of receipts on Government instructions.
44. (1) A Council may, from time to time, and if required by Government shall specify the percentage of the revenue income which shall be allocated to various Departments for the purposes of revenue expenditure, and where such percentage has been fixed the estimates of revenue expenditure shall be based on such percentage.	Allocation of percentage of revenue income.
(2) A Council may, from time to time, if required by Government shall, fix the percentage of the revenue income beyond which the total expenditure on establishment on revenue account shall not exceed and where such percentage has been fixed, the expenditure on establishment on revenue account shall not exceed such percentage.	
45. A Council may, from time to time, fix the percentage of the revenue income which shall be earmarked for development, and the allocation out of the revenue income for development expenditure shall not fall below such per centage.	Earmarking of revenue income for development expenditure.
46. A Council may, from time to time, and if required by Government shall declare any service to be a commercial service and where a service is so declared the revenue expenditure for such service shall not exceed the revenue receipt therefrom.	Commercial Service.
47. (1) Development Expenditure shall mean—	Development Expenditure.
<ul style="list-style-type: none"> <li>(a) the expenditure on a Development plan;</li> <li>(b) the expenditure for an original work;</li> <li>(c) any expenditure declared by Government to be development expenditure; and</li> </ul>	

(d) the expenditure for new Service or an expansion in an existing service.

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

48. (1) The estimates of expenditure shall be framed as accurately as possible and shall as far possible be based on the principle of certainty and not on the principle of probability.

Maintaining accuracy in estimates.

(2) All items of expenditure that can be foreseen shall be provided for, taking care that the amount of provisions is restricted to the absolute minimum requirements.

(3) The estimates shall be based on the revised estimates of the current year after scrutinizing fully and carefully in the context of all relevant factors.

(4) No item for expenditure shall be included in the estimates without proper consideration and an exhortation of foresight under sub-rule (2) shall not be construed as an invitation to provide for new items of expenditure without proper consideration.

(5) All items of expenditure shall at the time of framing of the estimates be reviewed, and such economy as may be possible shall be made.

49. (1) The surplus potential of the council for a year shall be the excess of revenue income over revenue expenditure, and where there is no surplus potential the budget will not be balanced.

Balance/deficit budget.

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

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

50. The Budget shall as far as possible be a performance budget and it shall made due provision to ensure that the standard of performance in the various activities of the council rises progressively and is not allowed to fall or deteriorate.

Performance Budget.



51. (1) The Schedule of New Expenditure shall provide for the following types of expenditure that is to say— New Expenditure.

- (a) expenditure relating to a new service;
- (b) increased expenditure as a consequence of the re-organization or addition to any existing service;
- (c) expenditure on grants and contributions to be made for the first time;
- (d) any increase in any existing grant or contribution exceeding ten per centum of the current grant or contribution.
- (e) Expenditure on original works; and
- (f) Any other expenditure which is declared by Government to be New Expenditure for the purposes of these rules.

(2) All items of new Expenditure shall be scrutinized with due care before they are included in the Schedule of New Expenditure, and in scrutinizing the following principles shall be kept in view that is to say—

- (a) the council shall concentrate on the performance of compulsory functions and additional liabilities on account of optional functions shall, as far as possible, be avoided;
- (b) the proposals for new expenditure shall be formulated on the basis of priority after taking stock of the overall requirements of the council in various department;
- (c) preference shall be given to development requirements and new expenditure on revenue account shall as far as possible be kept at the minimum possible level; and
- (d) with reference to development projects, preference shall be given to such projects, which do not involve a recurring cost.

(3) When providing for a piece of new expenditure administrative difficulties and delays shall be kept in mind and only such amount shall be provided which is likely to be spent during the course of the year.

52. The Schedule of Charged Expenditure shall comprise of all items of expenditure as are specified in sub-section (1) of Section 71 of the Ordinance. Charged Expenditure.

53. (1) For the purposes of the Schedule of Establishment, the establishment provided for under a sub-Head shall be divided into categories, each category comprising of officials in the same grade of pay. Expenditure for Establishment.

(2) The estimates shall be prepared for each category and shall specify the number of posts in each category, and the scales of pay and other particulars about the officials included in the category, and the manner in which the estimates are worked out shall be explained in the Explanatory Memorandum.

(3) In framing estimates for the sanctioned establishment whether permanent or temporary, the pay including increments and allowances which is likely to be drawn by persons on duty during the year shall be provided for, but no provision shall be made for appointments to be held in abeyance or for those who are on deputation or absent in other way and are unlikely to return to the strength within the year.

(4) The expenditure for the establishment working in various Department shall be provided Department-wise and Branch-wise under the sub-Head "Council Secretariat" under the Head "General Department" and the establishment for field services shall be provided for under the respective departments.

54. (1) The estimates under contingencies, shall, unless otherwise provided, include all charges for establishment and the charges for execution of works.

Charges for contingencies.

(2) Estimates for fluctuating items of expenditure under contingencies shall be based on the allotment for the current year viewed in the light of the average of the past three years actuals and allowances made for causes likely to modify the figure, and any excess over the current budget shall be explained in the Explanatory Memorandum.

55. (1) No original work shall be included in the Estimates unless such work has been administratively approved by the competent authority.

Expenditure for Works.

(2) While giving particulars about original works in the Schedule of works, the works in progress shall be distinguished from the new works, and in estimating the amount required for works in progress during the ensuing year, due allowance shall be made to ensure that there is no rush of expenditure during the 1<sup>st</sup> month of the current year, and the unspent grant for such works are carried forward to the next year.

56. No Lump-sum provisions the details whereof cannot be explained shall be made in the estimates, nor shall any provisions be made for an item which cannot be classified.

Prohibition for lump-sum provision explanation.

57. All estimates on the Income and Expenditure side shall be rounded to the nearest hundred, and the figures below rupees fifty shall be disregarded and figures of rupees fifty or above shall be entered as a hundred.

Rounding off.

### CHAPTER—III

#### PREPARATION, AUTHENTICATION AND PUBLICATION OF THE BUDGET

58. (1) The Finance Department shall be responsible for the preparation of the budget and for the enforcement of the provisions of these rules.

Preparation of Budget Proposals.

(2) On or before the first day of February each year, the Heads of Departments shall forward their budget proposals to the Finance Department.

(3) The Budget proposals shall, subject to such adjustments as may be necessary to suit the requirements of the department, be in the forms specified in Chapter-II.

(4) The Budget proposals shall be based on the actuals of the first six months of the current year, and shall be formulated in accordance with the principles laid down in Chapter II, and such instructions as the Finance Department may issue in this behalf from time to time.

59. (1) All budget proposals received under rule 58 shall be scrutinized by the Finance Department, and forwarded to the Finance Sub-Committee.

Scrutining modification and printing of budget estimates.

(2) The budget proposals shall be presented to the Finance Sub-Committee in the month of March every year which may make such recommendations for their modification as it may deem necessary.

(3) As soon as the Second statement of Excess and Surrenders has been received from the Departments under Rule 78 (1)(b), the Finance Department shall review the estimates and formulates such proposals for the modification of the estimates as may be necessary in the light of such excesses and surrenders.

(4) As soon as may be after the meeting of the Finance Sub-Committee, the Mayor, or as the case may be, Chairman shall consider—

(a) the recommendations of the Finance Sub-Committee;

(b) proposals for the modification of the estimates formulated by the Finance department and pass such orders for the modification of the estimates as may be necessary.

(5) As soon as may be after the passing of the orders under sub-rule (4), the Finance Department shall modify the estimates and the notes in the Explanatory Memorandum in accordance with such orders.

(6) The budget as modified and completed under sub-rule (5) shall, unless otherwise directed by the council, be printed.

60. Copies of the budget as prepared under Rule 59 shall be forwarded to all members of the council in accordance with the Sind Councils (Conduct of Business) Rules, 1980, for consideration of the Budget.

Copy of the Budget to be furnished to members.

61. (1) The Chief Executive shall forward a copy of the budget as approved by the council to the Government within seven days of its approval for consideration under section 72 of the Ordinance.

Forwarding a copy of the Budget to Government.

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

(3) If the Budget is not received by Government by the 30<sup>th</sup> day of June, Government may have the necessary budget prepared under sub-section (2) of Section 72 of the Ordinance, and certify it on its own authority.

62. On receiving an order of modification under sub-section (3) of section 72 of the Ordinance, the Mayor or, as the case may be, the Chairman shall amend the budget in accordance with such order and authenticate under his signatures a copy of the Budget so amended, and the budget so amended, and the budget thus authenticated shall be the authorised budget.

Action on receipt of modifications made by Government.

63. If any observations are received from Government after the budget has been authenticated under Rules 62 the council shall consider such observations, and may take such action as it deems necessary.

Consideration of observations made by Government after authentication.

64. The sanctioned Budget shall be treated as a public document and shall be made available for public inspection and publication of its extracts in the national newspapers.

Budget to be public document.

65. Government may consolidate the Budget of all council in the Province, and publish them in such manner as may be necessary.

Power to Government to consolidate the budget of the councils.

66. (1) The Head of the Taxation Department shall be the Collecting Officer for the purposes all items of revenue.

Collecting Officer and Assistant collecting Officers.

(2) A Council may, from time to time, specify the Assistant Collecting Officers for the purposes of various items of income, and where an Assistant Collecting Officer is not under the administrative control of the Taxation Department he shall be responsible to the Head of the Taxation Department through the Head of his Administrative Department for the purposes of such collection.

67. (1) Every Head of Department shall be the Disbursing Officer for the purposes of the grants sanctioned for his Department.

Disbursing officer and Assistant Disbursing Officer.

(2) A Council may, from time to time, declare any Officer to be an Assistant Disbursing Officer for the purposes of the grant sanctioned for a Sub-Head, and every Assistant Disbursing Officer shall be responsible to the Head of his Department for the purposes of all disbursements.

(3) A Disbursing Officer or any Assistant Disbursing Officer may with the approval of the Mayor or, as the case may be, the Chairman delegate his powers under these rules to any officer subordinate to him.

## **CHAPTER—IV**

### **ENFORCEMENT OF THE BUDGET AND PREPARATION OF SUPPLEMENTARY GRANTS**

68. The Finance Department shall by the first day of July, communicate to the Collecting Officers and Assistant Collecting Officers, the estimates of the income under various items of receipt of the budget authenticated under Rule 63 and if the budget is not so authenticated by the 30<sup>th</sup> day of June, the estimates of the budget sanctioned and forwarded to Government under rule 61 shall be communicated and modifications, if any made by Government, shall be communicated thereafter.

Communication of the estimates of income to the Collecting Officers.

69. The Head of the Taxation Department may, from time to time, and with the approval of the mayor, or, as the case may be, the Chairman frame a revenue collection programme in Form B-15, setting up the targets for collection during specified periods and the Assistant Collection Officers shall, as far as possible, follow the programme.

Revenue Collection programme.

70. It shall be the duty of the Assistant Collecting Officers to the head of the Taxation Department to see that—

Duties of the Assistant Collectors and the Head of the Taxation Department.

- (a) all income claimable is claimed, realized, and credited and the local fund; and
- (b) all work of collection proceeds is in accordance with the revenue collection programme under the Rule 69, if any.

71. (1) The Head of the Taxation Department shall forward to the Finance Department by the seventh day of every month a Revenue Collection Statement in Form B-16.

Revenue Collection statement.

(2) All Revenue Collection statement received under sub-rule (1) shall be scrutinized by the Finance Department which may, with the approval of the Mayor, or, as the case may be, the Chairman, make such observations thereon as may be necessary.

72. The Finance Department shall, by the first day of July, Communicate to the Heads of Departments and the Disbursing Officers, the sanctioned Demands for Grants under various sub-Heads, and the appropriations for various Units under each Sub-Head as in the authenticated budget, or, if the

Communication of the sanctioned Demands.

budget is not authenticated under Rule 62 by the 30<sup>th</sup> day of June due to any circumstances, the budget sanctioned by the council shall be forwarded and the modifications if any made by Government shall be Communicated thereafter.

73. The provision against the Reserve and against such other items as may be specified by Mayor, or, as the case may be, the Chairman shall be kept at the disposal of the finance Department. Reserve and other specified items.

74. (1) An appropriation against each item shall cover all the charges including the liabilities of past years to be paid during the year and to be adjusted in the accounts of the year. Appropriation.

(2) An appropriation against an item shall be operative unit the close of the financial year and any unspent balance shall lapse and shall not be available for utilization in the following year.

75. (1) Every Disbursing Officer shall be responsible for watching expenditure incurred against supply communicated to him. Responsibility of Disbursing Officers.

(2) No expenditure shall be incurred without necessary appropriation or in excess of the sanctioned appropriation.

(3) No money shall be spent hastily or in any ill considered manner simply because it is available.

(4) Expenditure shall be watched and controlled not with a view to adapting the appropriations to the expenditure but the expenditure to appropriations.

76. (1) Every Head of Department shall forward to the Finance Department by the seventh day of every expenditure but the expenditure to appropriations. Statement of Disbursement.

(2) All statements of disbursements shall be scrutinized by the Finance Department, which may, with the approval of the Mayor, or as the case may be, the Chairman, communicate such observations thereon as may be necessary, to the Department concerned.

77. (1) Every Head of Department shall forward to the Finance Department shall in Form B-18. Statement of Excesses and Surrenders.

(a) the first statement of Excesses and Surrenders by the seventh day of January; and

(b) the Second statement of Excesses and Surrenders by the seventh day of March.

(2) When owing to unforeseen causes, or due to over-budgeting it is not possible to utilize in full or in part the provision included in the estimates for a specific object, the amount involved shall be surrendered through the Statement of Excesses and Surrenders.

(3) Application for the allotment of additional funds shown as excess in the Statement of Excesses and Surrenders shall be made to the Finance Department by the respective Departments in Form B-19.

(4) The Finance Department shall scrutinize the Statements of Excesses and Surrenders, and where an amount is surrendered the Finance Department shall, with the approval of the Mayor or, as the case may be, the Chairman, incorporate such reduction in the Statement of Appropriation and Supplementary Grants under Rule 81.

(5) When an excess is indicated in the Statement of Excesses and Surrenders, the Finance Department shall scrutinize the applications and may with the approval of the Mayor or, as the case may be, the Chairman--

- (a) for reasons to be specified, refuse to allot the additional funds; or
- (b) agree to the allotment of additional funds to such extent as may be specified.

78. If the Head of department concerned desires that the whole or a part of the amount surrendered under sub rule (2) of Rule 78, shall be passed in the form of a grant in the estimates of the following year he shall include such provision in the budget proposals have already been forwarded a supplementary proposal shall be forwarded to the Finance Department, but this shall not be later than the 7<sup>th</sup> day of March.

Proposals for inclusion of surrendered amount in the budget.

79. Where the Finance Department refuses to allot additional funds under Rule 78, such refusal shall be communicated to the Department concerned, who shall take steps to ensure that the expenditure against the item in question does not exceed the original allotment.

Consequence of refusal.

80. (1) Additional funds to meet an excess may be provided by—

RE-appropriation and Supplementar grants.

- (a) re- appropriation; or
- (b) supplementary grant, if the necessary funds cannot be found by re-appropriation.

(2) Re-appropriation means transfer of funds from One Unit to another to meet excess expenditure anticipated under a Unit.

(3) Supplementary grant means additional funds provided under a Unit or a sub-Head by process other than that of re-appropriation.

(4) As soon as may be after the scrutiny of the first Statement of Excesses and Surrenders as the case may be, the Mayor or, as the case may be, the Chairman shall present to the council a statement of Appropriations and Supplementary Grants in Form B-20.

(5) Any re-appropriation or Supplementary grant shall be made during the course of the financial year and not after its expiry, and shall be considered by the council in the same manner as the Budget.

(6) Whenever any Statement of Appropriations and Supplementary Grants is sanctioned, the Mayor or, as the case may be, the Chairman shall cause the Budget to be amended in the light of such Statement, and the modified provisions shall be communicated to the Departments concerned.

## **CHAPTER—V**

### **BUDGET REVISION AND BUDGET CONTROL**

81. (1) The Finance Sub-Committee of the council shall, from time to time, review the operations of the Budget and bring to the notice of the Mayor as the case may be, the Chairman and the council such financial irregularities in the administration of the Budget as may come to its notice.

Review and Reports  
by Finance Sub-  
Committee.

(2) All reports made by the finance Sub-Committee shall be considered by the Mayor, or as the case may be, the Chairman who shall take steps as may be necessary to remedy the financial irregularities, if any.

82. When the accounts of a council are audited, the Audit Authority shall among other matters review the operation of the Budget for the period of audit and point-out the financial irregularities, if any, in the administration of the Budget.

Audit and review by  
audit authority.

83. (1) For the purposes of this Chapter, a financial irregularity shall include—

Financial  
irregularities.

- (a) any expenditure incurred without sanction;
- (b) any expenditure incurred without sufficient appropriation;
- (c) any expenditure incurred without proper justification;
- (d) any extravagance or waste of fund of the council;
- (e) any case of loss of money due to fraud, neglect, or misappropriation;



- (f) any case of over budgeting or under-budgeting; and
- (g) any branch of the provisions of these rules.

(2) The Council shall take such steps as may be necessary to remedy the financial irregularities pointed out under this Chapter.

(3) Where due to the lapse of time or any other un-avoidable cause, any financial irregularity cannot be remedied, Government may, for reasons to be recorded, condone such financial irregularity.

84. Government may relax any of the provisions of these rules with reference, to all any of the Councils. Relaxation of rules.

MANZOORUL HASAN  
SECRETARY TO GOVERNMENT OF SIND

**FORM B 1****(See Rule 5)****ESTIMATE OF RECEIPTS.**

Serial No.	Head of Account	Budget Estimated	Revised Estimates of the current year	Sanctioned Budget Estimates for the current year	Actuals of the preceding year
1	2	3	4	5	6
A	Octroi Duty (Duty on import of goods for sale and consumption)	...	...	....	....
	Total :	...	...	...	...
B	<i>Taxes</i>				
(1)	Tax on the export of goods from local area	...	...	...	...
(2)	Tax on building and lands	..	...	...	...
(3)	Tax on the transfer of immovable property.	...	....	..	...
(4)	Tole Tax	...	...	..	...
(5)	Tax on profession/trade and callings.	..	..	...	..
(6)	Tax on births/marriages, adoptions and freasts.	..	..	...	..
(7)	Tax on advertisements	..	..	...	..
(8)	Tax on animals	..	..	..	..
(9)	Tax on vechicles	..	..	..	..
(10)	Tax on cinemas and other entertainments	..	..	...	..
(11)	Share of taxes received from Government.	..	..	..	...
(i)	Property tax	..	..	..	...
(ii)	Betterment tax	...	..	...	...
(iii)	Surface materials	..	..	..	...
(iv)	Local cess	..	..	...	..
(12)	Other Taxes	..	..	...	...
	Total :	...	...	...	...

1	2	3	4	5	6
<b>C Rates</b>		...	...	...	...
(1)	Local rate	...	...	...	...
(2)	Water rate	...	...	...	...
(3)	Fire rate	...	...	...	...
(4)	Lighting rate	...	...	...	...
(5)	Conservancy rate	...	...	...	...
(6)	Drainage rate	...	...	...	...
(7)	Rate for the execution of public utility	...	...	...	...
	<b>Total :</b>	...	...	...	...
<b>D Fees</b>		...	...	...	...
(1)	Licence fees for animals	...	...	...	...
(2)	Licence fees for Vehicles	...	...	...	...
(3)	Licence fess for articles of food and drink	...	...	...	...
(4)	Licence fees for dangerous and offensive trades	...	...	...	...
(5)	Licence fees for encroachments	...	...	...	...
(6)	Licence fees for Tehbazari	...	...	...	...
(7)	Other Licence fees	...	...	...	...
(8)	Fees for Educational institutions	...	...	...	...
(9)	Fees for markets	...	...	...	...
(10)	Fees for fairsiagricultural shows/industrial exhibitions/tournaments and public gathering	...	...	...	...
(11)	Fees for the slaughtering of animals	...	...	...	...
(12)	Fees for medical institutions	...	...	...	...
(13)	Vaccination fees	...	...	...	...
(14)	Fees it veterinary institutions	...	...	...	...
(15)	Fees for firebrigade	...	...	...	...
(16)	Copying fees	...	...	...	...
(17)	Share of Cotton fees received from Govt.	...	...	...	...
(18)	Share a Paddy fees received form Govt.	...	...	...	...
(19)	Other fees	...	...	...	...
	<b>Total :</b>	...	...	...	...
<b>E Rent</b>		...	...	...	...
(1)	Rents of Council Property	...	...	...	...
(2)	Rent of nazul Property	...	...	...	...
(3)	Other rents	...	...	...	...
	<b>Total</b>	...	...	...	...

1	2	3	4	5	6
<b>F Other Receipts</b>					
(1)	Receipts of account sale of sullage water	...	...	...	..
(2)	Receipts on account of the sale of refuse	...	...	...	...
(3)	Receipts on account of the sale of stock and stores	...	....	...	....
(4)	Receipt on account of the sale of trees and plants	...	...	....	...
(5)	Receipt on account of the sale of land and other immovable property	...	....	...	...
(6)	Return on investments	...	...	..	...
(7)	Share from Magistral fine	...	...	....	...
(8)	Miscellaneous receipts	...	...	...	....
		Total :	...	..	...
<b>G Grants</b>					
(1)	Grants for educational institutions	...	...	...	...
(2)	Grants for libraries	...	...	...	....
(3)	Grants for community projects	...	...	...	...
(4)	Grants for welfare institutions	....	...	...	....
(5)	Grant for Medical institutions	...	...	....	...
(6)	Grant for public Health institutions	...	...	...	...
(7)	Donations	...	...	...	...
		Total	...	...	...
<b>CAPITAL</b>					
(1)	Grants for Drainage	...	...	...	...
(2)	Grants for water supply	...	...	...	...
(3)	Grant of roads	...	...	...	....
(4)	Grant for sanitation	...	...	...	...
(5)	Grant for works	...	...	...	...
(6)	Grant for cattle ponds	...	...	...	...
(7)	Grant for ferries	...	...	...	....
(8)	Special grant for development works	...	...	...	...
(9)	Grant of other purposes	...	...	....	...
(10)	Contributions from other Local bodies	...	...	..	....
(11)	Contributions from the public	...	...	....	...
(12)	Investment	...	...	..	...
(13)	Return on Investments	...	...	..	...
(14)	Recover of Loans	...	...	...	...
(15)	Share from Magistral fines	...	...	..	...
(16)	Cess on any tax levied by Govt.	...	...	....	...
(17)	Sale of immovable property	...	...	...	...
(18)	Disposal of capital assets	...	...	...	...
(19)	Sale of investments	....	...	...	...
(20)	Grants and receipts of non-recurring	...	...	...	...

(21)	Other capital receipts	...	...	...	...
(22)	Recovery of arrears	...	...	...	...
(23)	Misellaneous	...	...	...	...
	Sub-Total	...	...	...	...
	Security Deposits	...	...	...	...
	Grant Total	..	...	..	..

FORM B 2

(See Rule 6)

ESTIMATES OF EXPENDITURE

Serial No.	Head of Account Budget Estimates	Budget Estimates	Revised Estimates of the current year	Estimates of the current year	Actuals of the preceding year
1	2	3	4	5	6
A	Establishment Expenditure Name of the Department (a) Pay of Officer (s)				
	(i) Salary	...	...	...	...
	(ii) Allowances	...	...	...	...
	(iii) Honoraira	...	...	...	...
	Total	...	...	...	...
	(b) Pay of Staff				
	(i) Salary	...	...	...	...
	(ii) Allowances	...	...	...	...
	(iii) Honoraria	...	...	...	...
	Total	...	...	...	...
B	Contingencies				
	(a) Revenue (Services)	...	...	...	...
	(b) Capital (Commodities)	...	...	...	...
	Total	...	...	...	...
C	Development Works				
	(a) Buildings	...	...	...	...
	(b) Roads	...	...	...	...
	(c) Parks	...	...	...	...

	(d) Water Supply	...	...	...	...
	Total :	...	...	...	...
	Charged Expenditure				
	(a) Audit fees	...	...	...	...
	(b) Contribution towards maintenance of Sind Councils Unified Grades Services and Local Councils Accounts Committees	...	...	...	...
	(c) Contribution for maintenance of divisional and district coordination committees	...	...	...	...
	(d) Other charged expenditure and amount payable to Government	...	...	...	...
	(e) Share of export tax payable to Union Councils	...	...	...	...
	Total :	...	...	...	...
	<b>CAPITAL</b>				
A	Loans				
	(a) Re-payments of Principal	...	...	...	...
	(b) Payment of interests (returns)	...	...	...	...
	Total :	...	...	...	...
B	Investments				
	(a) Earmarked investments	...	...	...	...
	(b) Non-earmarked investments	...	...	...	...
	Total :	...	...	...	...
C	Reserve				
	(a) Reserve for unforeseen expenditure	...	...	...	...
	(b) Miscellaneous unclassified	...	...	...	...
	Total :	...	...	...	...
D	Commercial Schemes	...	...	...	...
E	Grants	...	...	...	...
F	Civil Defence	...	...	...	...
G	Scholar ships	...	...	...	...
	(a) Primary Schools students	...	...	...	...
	(b) High Schools students	...	...	...	...

(c) Colleges students	...	...	...	...
(i) Medical	...	...	...	...
(ii) Engineering	...	...	...	...
(d) Universities	...	...	...	...
	...	...	...	...
Total :	...	...	...	...
Grand Total :	..	..	...	...

**FORM B 3**  
(See Rule 7)

**DEMANDS OF GRANTS**

Head of Account	Sub-Head of account	Demand for grant
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**FORM B 4**  
(See Rule 8)

FINANCIAL GRANTS

Serial No.	Head of Account	Budget year	Current year	Preceding year
1.	Total Income	...	...	...
2.	Capital Income	...	...	...
3.	Income of account of arrears of previous year	...	...	...
4.	Total Income from taxes	...	...	...
5.	Total Income form grants	...	...	...
6.	Revenue Income	...	...	...
7.	Incidence of Income	...	...	...
8.	Incidence of Taxes	...	...	...
9.	Incidence of Octroi	...	...	...
10.	Incidence of tax on building and lands	...	...	...
11.	Total expenditure	...	...	...
12.	New Expenditure	...	...	...
13.	Capital Expenditure	...	...	...
14.	Total Expenditure on Establishment	...	...	...
15.	Total Expenditure on Contingencies	...	...	...
16.	Total Expenditure on original works	...	...	...
17.	Total Expenditure on repairs and maintenance	...	...	...
18.	Development Expenditure	...	..	...
19.	Revenue of Expenditure	...	...	...
20.	Percentages of revenue income allocated for establishment	...	...	...
21.	Percentage of revenue income allocated for development	...	...	...
22.	Total liabilities	...	...	...
23.	Total investments	...	...	...
24.	Opening balance	...	...	...
25.	Closing balance	...	...	...
26.	Surplus potential	...	...	...



FORM B 5  
(See Rule 9)

SCHEDULE OF NEW EXPENDITURE

Head	Sub-head	Item of New Expenditure	Budget Provision
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FORM B 6  
(See Rule 9)

SCHEDULE OF DEVELOPMENT EXPENDITURE

Head	Sub-head	Items of Development Expenditure	Provisions in the Development Plan	Amount likely to be spent by end of the current year.	Budget Provision
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FORM B 7  
(See Rule 11)

SCHEDULE OF CHARGED EXPENDITURE

Head	Sub-head	Items of charged expenditure	Budget Estimate	Revised Estimated of the current year	Sanctioned Estimated Current year	Actuals of the Preceding year
		Rs.	RS.	Rs.	Rs.	Rs.
-	-	-	-	-	-	-

### FORM B 8

(See Rule 12)

#### SCHEDULE OF ESTABLISHMENT

Head	Sub-head	Categories of establishment branch wise & strength	Grade of pay	Pay Compensatory allowance	Leave allowance	Provident Fund Contribution	Total Establishment Charges
---	---	---	---	---	---	---	---

### FORM B 9

(See Rule 13)

#### SCHEDULE OF CONTINGENCIES

Head	Sub-head	Items of Contingencies	Budget Estimate	Revised Estimate of current year	Budget Estimate of current year	Actuals of the preceding year
--	---	Rs.	Rs.	Rs.	Rs.	Rs.
---	---	---	---	---	---	---

### FORM B 10

(See Rule 14)

#### SCHEDULE OF WORKS

Head	Sub-head of works	Description Estimate	Budget Estimate	Revised Estimate of current year	Budget Estimate of current year	Actuals of the preceding year
--	---	Rs.	Rs.	Rs.	Rs.	Rs.
---	---	---	---	---	---	---

FORM B 11

(See Rule 15)

**SCHEDULE OF LIABILITIES**

Head	Sub-head	Particulars of liabilities	Budget estimate
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FORM B 12

(See Rule 16)

**SCHEDULE OF ARREARS**

Item of Income	Total demand for current year including arrears	Total collections during the year	Arrears at the end of the current year	Amount of arrears included in the Budget Estimate
	Rs.	Rs.	Rs.	Rs.
	--	--	--	--

FORM B 13

(See Rule 17)

**SCHEDULE OF MISCELLANEOUS FUNDS**

Nature of the fund	Head of accounts	Budget Estimate	Revised Estimate for the current year	Sanctioned Budget	Actuals of the preceding year
		Rs.	Rs.	Rs.	Rs.
(1) Opening balance		--	--	---	--
(2) Income		--	--	--	--
(3) Expenditure		--	--	--	--
(4) Closing balance		--	--	--	--

**FORM B 14**

**(See Rule 18)**

**SCHEDULE OF TAXES**

Serial No.	Nature of the Tax	Summary of the proposals with necessary particulars	Income anticipated
--	--	--	--

**FORM B 15**

**(See Rule 70)**

**REVENUE COLLECTION PROGRAMME**

Serial No.	Item of Income	Budget Estimate	Target of collection for the 2 <sup>nd</sup> quarter	Target of collection for the 3 <sup>rd</sup> quarter	Target collection for the 4 <sup>th</sup> quarter
--	--	--	--	--	--

FORM B 16  
(See Rule 72)

**REVENUE COLLECTION STATEMENT FOR THE MONTH ENDING**

Serial No.	Item of Income	Budget Estimate	Target for the quarter	collection for the quarter	Total collection up-to-date
--	--	--	--	--	--

**FORM B 17**

**(See Rule 77)**

**STATEMENT OF DISBURSEMENTS FOR THE MONTH ENDING**

Head	Sub-head	Unit	Appropriation	Disbursements during the qauarter	Disbursements up-to-date
--	--	--	--	--	--

**FORM B 18**

**(See Rule 78)**

**FIRST/SECOND STATEMENT OF THE EXCESSES AND SURRENDERS**

Head	Sub-head	Unit	Appropriation	Disbursement up-to-date	Excess demand	Amount to be surrendered
--	--	--	--	--	--	--

**FORM B 19**

(See Rule 78(3))

**APPLICATION FOR THE ALLOTMENT OF ADDITIONAL FUNDS**

1. Head \_\_\_\_\_
2. Sub-head \_\_\_\_\_
3. Unit \_\_\_\_\_
4. Appropriation \_\_\_\_\_
5. Disbursement up-to-date \_\_\_\_\_
6. Additional funds required \_\_\_\_\_
7. Causes of Excess \_\_\_\_\_
8. The manner in which the excess is to be met \_\_\_\_\_
9. Comments of the Finance Department \_\_\_\_\_
10. Orders of the Chairman \_\_\_\_\_

**FORM B 20**

**STATEMENT OF RE-APPROPRIATIONS AND SUPPLEMENTARY GRANTS**

(See Rule 81(4) )

**I-Re-Appropriations**

Transferred from				Transferred to			
Head	Sub-head	Unit	Amount	Head	Sub-head	Unit	Amount

**II-Supplementary Grants**

Head	Sub-head	Unit	Original appropriation	Supplementary grant	Revised appropriation
--	--	--	--	--	--