



GOVERNMENT OF SINDH
LOCAL GOVERNMENT AND
HOUSING TOWN PLANNING
DEPARTMENT

Karachi, dated the 28th February, 2017

NOTIFICATION

No.RO(LG)/MISC:/4(74)/2016: In exercise of the power conferred by section 138 of the Sindh Local Government Act, 2013, read with section 117 and entry 8 of schedule VII thereto, the Government of Sindh are pleased to make the following rules:-

**CHAPTER-I
PRELIMINARY**

1. **Short title and commencement.** (1) These rules may be called the Sindh Local Councils (Property) Rules, 2017.

(2) These Rules shall come into force at once.

2. **Definition.** (1) In these rules, unless the context otherwise requires -

(a) "Act" means the Sindh Local Government Act, 2013;

(b) "property" means the property both movable and immovable vesting in the Council;

(c) "Officer Incharge" means the Head of a Department or any officer of the Council authorized by it to be the Officer Incharge of the property placed under his management;

(d) "Department" means any department of the Council;

(2) The words and expressions used but not defined in these rules shall have the same meaning as assigned to them under the Act.

**CHAPTER-II
MANAGEMENT AND MAINTENANCE OF PROPERTY**

3. **Management and maintenance of property.**--(1) The Mayor or Chairman, as the case may be, shall take such steps as may be necessary to ensure that the property vested in the Council is managed and maintained in the best interest of the public for the purposes of the Act, the rules and the bye laws made thereunder.

(2) The Mayor or Chairman, as the case may be, from time to time, specify the property to be placed under the management of the Officer incharge.

(3) Notwithstanding the provision contained in the sub-rule (2), the over-all responsibility for the proper management and maintenance of the property shall continue to be the responsibility of the Mayor or Chairman, as the case may be.

4. Responsibility of the Officer Incharge.—The Officer Incharge shall -

- (a) take care of the property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature;
- (b) take steps to ensure that property meant for use of the public is actually used to the maximum benefit of the public;
- (c) ensure that the rented property fetches the maximum rent;
- (d) prevent the impairment of the value and utility of the rented property;
- (e) prevent the use of property for the purpose and in the manner other than specified by the Council;
- (f) take necessary steps for repairs of all buildings properly;
- (g) keep all title deeds and other documents relating to the property, with duplicate copies of such title deeds and other documents, in safe custody;
- (h) have the boundaries of all lands of the Council demarcated;
- (i) ensure the maintenance of prescribed register;
- (j) be vigilant about and check encroachments or wrongful occupation on property and in case there is any encroachment or wrongful occupation, take necessary steps for the removal thereof;
- (k) prevent the property against nuisance, damage or misuse; and
- (l) be responsible to the Council for any loss destruction or deterioration of the property, if such loss, destruction or deterioration has occurred because of the default.

5. **Maintenance of registers.** (1) The various registers mentioned in the Schedule shall be maintained in the prescribed form in respect of all the property of Council.

(2) A Council shall provide at least 10% of its development budget for the maintenance and repairs of its immovable property regularly.

6. **Map of the Local area.** (1) The Council shall maintain a map of the local area showing, among other things, the immovable property vesting in the Council.

(2) A copy of the map shall be kept at the office of the Council for inspection by the public during office hours.

(3) The map shall form a supplementary volume to the register of immovable property maintained under rule 5.

7. **Verification and stock taking of property.** The Officer incharge shall -

- (a) take stock of the movable property under his charge;
- (b) verify the immovable property under his charge; and
- (c) submit a report to the concerned Council showing the result of such stock taking and verification including -
 - (i) particulars of unserviceable articles;
 - (ii) losses and wastage, if any;
 - (iii) cases of defalcation of accounts or misappropriation of property, if any; and
 - (iv) proposal for development and improvement, if any.

(2) The Mayor or Chairman, as the case may be, once in every year on a date fixed by him, check and verify the stock of movable and immovable property of the concerned Council.

CHAPTER-III UNSERVICEABLE ARTICLES AND WRITING OFF

8. **Unserviceable articles.** (1) The Mayor or, as the case may be, the Chairman may declare any property or articles as unserviceable and the articles so declared may be written off in the manner and to the extent mentioned in rule 9.

9. **Writing off the unserviceable articles and losses.** Any loss of property or any articles which have been declared as unserviceable under rule 8 may be written off -

- (a) by the Mayor or, as the case may be, the Chairman of the -
 - (i) Karachi Metropolitan Corporation, if the amount involved does not exceed one hundred thousand rupees;
 - (ii) District Municipal Corporation, Municipal Corporation, Municipal Committee or a District Council, if the amount involved does not exceed fifty thousand rupees;
 - (iii) Townn Committee, if the amount involved does not exceed ten thousand rupees;
 - (iv) Union Committee or Union Council if the amount involved does not exceed five thousand rupees;
- (b) by te Council -
 - (i) in the case of a Metropolitan Corporation, if the amount does not exceed two hundred thousand rupees;
 - (ii) District Municipal Corporation, Municipal Corporation, Municipal Committee or a District Council, if the amount involved does not exceed one hundred thousand rupees;
 - (iii) in the case of a Town Committee, if the amount involved does not exceed twenty thousand rupees;
 - (iv) in the case of a Union Committee or Union Council, if the amount involved does not exceed ten thousand rupees.
- (c) by the Government, in any other case.

10. **Acquisition of Property.** (1) Whenever any land or other immovable property is required by a Council for any of the purposes of the Act, the Mayor or Chairman , as the case may be, may take such steps as may be necessary to acquire the same by an agreement with the owner in the manner provided in the Sindh Local Councils (Contract) Rules, 2016.

(2) If any land or other immovable property cannot be acquired by an agreement under sub-rule (1), the Council may move for the acquisition of such land or immovable property under the Land Acquisition Act, 1894.

CHAPTER-III
DISPOSAL OF MOVABLE PROPERTY

11. **Disposal of movable property.** (1) Any movable property of a Council may be disposed of by sale or otherwise by the authority competent to do so under the Sindh Local Council (Contract) Rules, 2016.

(2) A list of the property sold or disposed of under Sub-Rule (1) shall be laid before the Council, from time to time, for information.

12. **Alienation of immovable property.** No immovable property of a Council shall be alienated by way of a sale or otherwise except through an open auction and with the sanction of Government.

13. **Lease of Immovable Property.** Any immovable property may be leased out by the Mayor or, as the case may be, the Chairman, Subject to the provisions of the Sindh Local Councils (Contract Rules, 2016 -

- (a) with the sanction of the Council, if the period of lease does not exceed one year;
- (b) with the sanction of Government, if the period of lease exceeds one year.

14. **Use of Council Property.** (1) A Council may specify -

- (a) the properties, movable or immovable, the use whereof may be permitted to the public or which may be let on hire; and
- (b) the terms and conditions including the charges to be levied for such use on hire.

15. **Property Development Schemes.** A Council may prepare Property Development Schemes which may among other matters contain -

- (a) particulars of property;
- (b) proposals for development;
- (c) Proposals for improvement in the organization for management of property;
- (d) proposals for development of land not constructed upon;
- (e) proposals for construction of shops and other commercial buildings;
- (f) the financial implications of the proposals;

- (g) the manner in which the scheme shall be financed;
- (h) acquisition of land and other immovable property; and
- (i) such other particulars as may be necessary.

**MUHAMMAD RAMZAN AWAN-
SECRETARY TO GOVERNMENT OF SINDH**

No.RO(LG)/MISC:/4(74)/2016. Karachi, dated the 28th February-2017

A copy is forwarded for information and necessary action to:-

1. The Additional Chief Secretary,____(all), Government of Sindh, Karachi.
2. The Secretary to Governor Sindh, Karachi.
3. The Administrative Secretary_____(all), Government of Sindh, Karachi.
4. The Member-I/II, Provincial Local Government Commission, Karachi.
5. The Director General, Sindh Civil Service & Local Govt: Academy, Tandojam.
6. The Commissioner _____ (all).
7. The Mayor/Municipal Commissioner, KMC/HMC/SMC and LMC.
8. The Chairman, District Municipal Corporation_____(all), Karachi.
9. The Chairman/Chief Officer, District Council_____(all).
10. The Director, Local Government _____(all).
11. The Deputy Secretary (Staff) to chief Secretary Sindh, Karachi.
12. The Chairman/Chief Municipal Officer, Municipal Committee,_____(all).
13. The Chairman/Town Officer, Town Committee,_____(all).
14. The Assistant Director, Local Government,_____(all).
15. The Superintendent, Sindh Government Printing Press, Karachi with a request to kindly publish the same in extraordinary gazette and furnish 500 copies thereof to this Department.
16. The Section Officer (Legislation), Law Department, Government of Sindh, Karachi, with reference to his letter No.S.REG.4(12)2016/32, dated 23rd February-2017.
17. PS to Minister, Local Government and Housing Town Planning.
18. PS to Secretary, Local Government and Housing Town Planning Department.

**(AKHLAQUE KHAN YOUSUFZAI)
RESEARCH OFFICER**

SCHEDULE
(see rule 5)

- (1) Register of immovable property in Form P-I
- (2) Register of Nazul Property in Form P-II
- (3) Register of Rent Demand and collection in Form P-III
- (4) Register of Arrears demand and collection in Form P-IV
- (5) Register of public roads and streets in Form P-V
- (6) Register of encroachments in Form P-VI
- (7) Register of un-authorized occupants of land or buildings in Form P-VII
- (8) Register of Maintenance of Buildings in form P-VIII.
- (9) Register of Maintenance of Road and Streets in Form P-IX
- (10) Register of agricultural land in Form P-X
- (11) Register of road side-trees, in Form-XI
- (12) Register of trees on land of the Council in Form P—XII
- (13) Register of fruit bearing trees in Form P-XIII
- (14) Register of movable property in Form P- XIV
- (15) Register of furniture and fixture in Form P- XV
- (16) Register of vehicles in Form P-XVI
- (17) Register of of machinery in Form P-XVII
- (18) Register of street light points and Lamp posts in Form P-XVIII
- (19) Register of water stand posts in Form P-XIX
- (20) Property Distraint Register in Form P-XX
- (21) Register of losses in Form P-XXI



**GOVERNMENT OF SINDH
LOCAL GOVERNMENT AND
HOUSING TOWN PLANNING
DEPARTMENT**

Karachi, dated the 28th February, 2017

NOTIFICATION

No.RO(LG)/MISC:4(74)/2016: In exercise of the power conferred by section 138 read with sub-section (6) of section 109 of the Sindh Local Government Act, 2013, and item No.14 of Schedule VII thereof, the Government of Sindh are pleased to make the following rules:-

**CHAPTER-I
PRELIMINARY**

1. Short title and commencement.

- (1) These rules may be called the Sindh Councils (Budget) Rules, 2017.
- (2) They shall come into force at once.

2. Definition. (1) In these rules, unless the context otherwise requires, the following expression shall have the meanings hereby respectively assigned to them, that is to say -

- (a) "Act" means Sindh Local Government Act, 2013;
- (b) "appropriation" means the amount of the budget grant for a particular unit;
- (c) "Department" means a Department of the Council under the Sindh Councils (Conduct of Business) Rules, 2016.
- (d) "Form" means a form appended to these rules;
- (e) "Head" means a Head of Expenditure referred to in sub-rule (2) of rule 6;
- (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) “volum” means a volume of the budget’
- (j) “revised estimates” means estimate of the receipts and expenditure for the current financial year based on the transactions already undertaken and anticipations for the remaining period of the financial year.

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

3. **Volume of the budget.**- (1) The budget shall extend over two volumes, namely Volume I and Volume II.

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

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

6. **Estimates of Expenditure.** (1) The Estimates of Expenditure shall be 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.

(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. **Statement of demands for Grant.** 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.

8. **Financial Abstract:** 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.

9. **Schedule of New Expenditure.** 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.

10. **Schedule of Development Expenditure.** 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.

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

12. **Schedule of Establishment.** 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.

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

14. **Schedule of Works.** 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-heads, and it shall be divided into two sections, the first section containing necessary particulars about the works pertaining to repairs and maintenance and the second section containing necessary particulars about all original works pertaining to repairs and maintenance.

15. **Schedule of Liabilities.** 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 out during the ensuing year.

16. **Schedule of Arrears.** The Schedule of Arrears shall be in Form B-12 and shall furnish full particulars about the arrears under various item of income and the estimates of revenue under various item likely to be realized on account of arrears, and included in the estimates of income.

17. **Schedule of Miscellaneous funds.** 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.

18. **Schedule of Taxes:** 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 Sindh Councils (Imposition, Assessment, Collection and Administration of Taxes, Rates, Toll and Fees) Rules, 2016.

19. **Volume II.** Volume II shall consist of the Explanatory Memorandum to explain the provisions contained in the Estimates and the Schedules.

20. **Explanatory Memorandum.** The Explanatory Memorandum shall be divided into parts and each part shall deal with one estimate, statement or schedule.

21. **Explanation of Estimates of Revenue.** While explaining various provisions in the estimates or 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.

22. **Explanation of Estimates of Expenditure.** 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.

23. **Explanation of the Statement of Demand for Grants.** While explaining the statement of the Demands for grants such points as need special notice of the Council shall be indicated and explained.

24. **Explanation of the Financial Abstracts.** 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.

25. **Explanation of the Schedule of New Expenditure.** 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.

26. **Explanation of the Schedule of Development Expenditure.** 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.

27. **Explanation of the charged Expenditure.** 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.

28. **Explanation of the schedule of Establishment.** While explaining the provisions in the schedule of Establishments, 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 there for shall be given.

29. **Explanation of the contingencies.** While explaining the provision in the Schedule of 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.

30. **Explanation of Schedule of Works.** 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 shall be executed, the manner in which it shall be financed, the agency through which it shall be executed, and the likely benefits to accrue from the execution of the works.

31. **Explanation of the Schedule of Liabilities.** While explaining the provisions in the Schedule of Liabilities, each item shall be numbered, and full details shall be furnished about each item.

32. **Explanation of the Schedule of Arrears.** 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.

33. **Explanation of the Schedule of Miscellaneous funds.** While explaining the provisions in Schedule of Miscellaneous funds, each fund shall be numbered, and full details shall be furnished about each fund.

34. **Explanation of the Schedule of taxes.** 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.

CHAPTER II PRINCIPLES OF BUDGETING

35. **Basis of preparation of estimates of revenue.** (1) Estimates of Revenue in the budget shall be as accurate as possible, and shall neither be inflated nor under-pitched.

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

36. **Receipts on account of Government Grants or other contributions.** 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 or undertaking the authority concerned, as the case may be.

37. **Receipts on account of tax, fee etc.** 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.

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

39. **Capital receipts.** Capital receipt 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. **Revenue Expenditure.** (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.

(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.** Capital Expenditure shall mean the expenditure for -

- (a) acquisition of immovable property;
- (b) execution of original works;
- (c) purchase of investments;
- (d) acquisition of capital assets; and
- (e) any grant or contribution of a non-recurring nature.

42. **Prohibition to divert Capital receipts.** Except with the sanction of Government no capital receipt shall be diverted to meet expenditure on revenue account.

43. **Earmarking of receipts on Government instructions:** 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 there for shall not be diverted to meet expenditure on any items other than the items for which such receipts are earmarked.

44. **Allocation of percentage of revenue income.** (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.

(2) A Council may from time to time, and 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. Earmarking of revenue income for development expenditure. A Council may, from time to time, fix the percentage of the revenue income which shall be earmarked for development, and the allocation cut of the revenue income for development expenditure shall not fall below such percentage.

46. Commercial Service. 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 receipts there from.

47. Development Expenditure. (1) Development Expenditure shall mean -

- (a) The expenditure on a development plan;
- (b) the expenditure for an original work;
- (c) any expenditure declared by Government to be development expenditure; and
- (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. Maintaining accuracy in estimates. (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.

(2) All time of expenditure that can be foreseen shall be provided for taking care and 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. Balanced or deficit budget. (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.

(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 Government by the 1st 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. Performance Budget. The budget shall as far as possible be a performance budget and it shall make 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.

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

- (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,
- (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 departments;

(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. **Charged Expenditure.** The schedule of charged expenditure shall comprise of all items of expenditure as are specified in sub-section (1) of section 108 of the Act.

53. **Expenditure for Establishment.** (1) For the purpose of the Schedule of Establishment, the establishment provided for under a sub-head shall be divided into categories and each category shall comprise officials in the same grade of pay.

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

(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 actual 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. **Expenditure for Works.** (1) No Original work shall be included in the estimates unless such work has been administratively approved by the competent authority.

(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 last month of the current year and the unspent grant for such works are carried forward to the next year.

56. **Prohibition for lump-sum provision without explanation.** 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.

57. **Rounding off.** 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.

CHAPTER-III PREPARATION, AUTHENTICATION AND PUBLICATION OF THE BUDGET

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

(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 adjustment 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 actual 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 specified in Chapter-II

59. **Scrutinizing, modification and printing of budget estimates.** (1) All budget proposals received under rule 58 shall be scrutinized by the Finance Department, and forwarded to the sub-committee of Finance Department.

(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 clause (b) to sub-rule (1) of rule 77, the Finance Department shall review the estimates and formulate 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 sub-Committee of Finance Department, the Mayor or, as the case may be, the 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 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. Copy of the Budget to be furnished to members. Copies of the budget as prepared under Rule 59 shall be forwarded to all members of the Council in accordance with the Sindh Councils (Conduct of Business) Rules, 2016, for consideration of the budget.

61. Forwarding a copy of the budet to Government. (1) The Chief Executive of the Council shall forward a copy of the budget as approved by the Council to Government within seven days of its approval for consideration under section 110 of the Act.

(2) If for any unavoidable circumstances, the budget cannot be forwarded to 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 30th day of June, Government may have the necessary budget prepared under sub-section (2) of section 110 of the Act, and certify it on its own authority.

(4) If in the opinion of Government, the budget prepared and sanctioned by the Council is in violation of provisions of the Act, Government may, by order, modify it, and budget so modified under sub-section (3) of section 110 shall be deemed to be the sanctioned budget of the Council.

62. Action on Receipt of modifications made by Government. On receiving an order of modification under sub-section (3) of section 110 of the Act, 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, and thus authenticated shall be the authorized budget.

63. **Consideration of observations made by Government after authentication.** If any observations are received from Government after the budget has been approved or sanctioned under rule 62, the Council shall consider such observations, and may take such action as it deems necessary.

64. **Budget to be public document.** 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.

65. **Power to Government to consolidate the budgets of the Councils.** Government may consolidate the budget of all Councils in the Province, and publish them in such manner as may be necessary.

66. **Collecting Officer and Assistant Collecting Officers.** (1) The Head of the Taxation Department shall be the Collecting Officer for the purpose of all items of revenue.

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

(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. **Communication of the Estimates of income to the Collecting Officers.** The Finance Department of the Council shall, on the first day of July, communicate to the Collecting Officers and Assistant Collecting Officers, the estimates of the income under various items of receipts of the budget authenticated under Rule 62 and if the budget is not so authenticated by the 30th 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.

69. **Revenue Collection Programme.** 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, set up the targets for collection during specified periods and the Assistant Collection Officers shall, as far as possible, follow the programme.

70. **Duties of the Assistant Collecting Officers and the Head of the Taxation Department.** It shall be the duty of the Assistant Collecting Officers and the Head of the Taxation Department to see that -

(a) all income claimable is claimed, realized and credited to the local fund;

(b) all work of collection proceeds is in accordance with the revenue collection programme under Rule 69, if any,

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

(2) All revenue collection statements received under sub-rule (1) shall be scrutinized by the Finance Department of the Council 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. **Communication of the sanctioned Demands.** the Finance Department shall, by the first day of July, communicate to the Head 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 budget is not authenticated under rule 62 by the 30th 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. **Reserve and other specified items.** The provision against the Reserve and against such other items as may be specified by the Mayor, or, as the case may be, the Chairman shall be kept at the disposal of the Finance Department.

74. **Appropriation.** (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.

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

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

(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. **Statement of Disbursement.** (1) Every Head of Department shall forward to the Finance Department by the seventh day of every month a statement of Disbursements in Form B-17.

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

(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 Statement 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 80.

(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. **Proposals for inclusion of surrendered amount in the budget.** If the Head of Department concerned desires the whole or a part of the amount surrendered under sub rule (2) of rule 77, 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 as have already been forwarded and a supplementary proposal shall be forwarded to the Finance Department, which shall not be later than the 7th day of March.

79. **Consequence of refusal.** Where the Finance Department refuses to allot additional funds under rule 77, 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.

80. **Re-appropriation and Supplementary grants.** (1) Additional funds to meet an excess may be provided by -

- (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 Statment of Excesses and Surrenders, the Mayor or, as the case may be, 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. **Review and Reports by Finance Committee.** (1) The Finance Committee of the Council shall, from time to time, review the operations of the budget and bring to the notice of the Mayor or, 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.

(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. **Audit and review by Audit Authority.** 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.

83. **Financial Irregularities.** (1) For the purposes of this Chapter, a financial irregularity shall include -

- (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 breach 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 unavoidable cause, any financial irregularity cannot be remedied, Government may, for reasons to be recorded, condone such financial irregularity.

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

-MUHAMMAD RAMZAN AWAN-
SECRETARY TO GOVERNMENT OF SINDH

A copy is forwarded for information and necessary action to:-

1. The Additional Chief Secretary, _____ (all), Government of Sindh, Karachi.
2. The Secretary to Governor Sindh, Karachi.
3. The Administrative Secretary _____ (all), Governemnt of Sindh, Karachi.
4. The Member-I/II, Provincial Local Government Commission, Karachi.
5. The Director General, Sindh Civil Services & Local Govt: Academy, Tandojam.
6. The Commissioner _____ (all).
7. The Mayor / Municipal Commissioner, KMC/HMC/SMC and LMC.
8. The Chairman, District Municipal Corporation _____ (all), Karachi.
9. The Chairman/Chief Officer, District Council _____ (all).
10. The Director, Local Government _____ (all).
11. The Deputy Secretary (Staff) to Chief Secretary Sindh, Karachi.
12. The Chairman/Chief Municcpal Officer, Municipal Committee, _____ (all).
13. The Chairman/Town Oficer, Town Committee, _____ (all).
14. The Assistant Director, Local Government, _____ (all).
15. The Superintendent, Sindh Government Printing Press, Karachi with a request to kindly publish the same in extraordinary gazette and furnish 500 copies thereof to this Department.
16. The Section Officer (Legislation), Law Department, Government of Sindh, Karachi, with reference to his letter No.S.REG.4(14)2016/31, dated 23rd February- 2017.
17. PS to Minister, Local Government and Housing Town Planning.
18. PS to Secretary, Local Government and Housing Town Planning Department.

(AKHLAQUE KHAN YOUSUFZAI)
RESEARCH OFFICER

FORM B-1
(See Rule 5)
ESTIMATES OF RECEIPTS

Serial No.	Head of Account	Budget estimated	Revised Estimates of the current year	Sanctioned Budget Estimates for the current year	Actual of the preceding year
1	2	3	4	5	6

REVENUE

	A- OZT Share	-	-	-	-
	B- Taxes				
(1)	Tax on building and lands	-	-	-	-
(2)	Tax on the transfer of immovable property	-	-	-	-
(3)	Toll Tax	-	-	-	-
(4)	Tax on profession/trade and callings	-	-	-	-
(5)	Tax on births/ Marriages, adoptions and feasts	-	-	-	-
(6)	Tax on advertisements	-	-	-	-
(7)	Tax on animals	-	-	-	-
(8)	Tax on vehicles	-	-	-	-
(9)	Tax on cinemas and and Entertainments	-	-	-	-
(10)	Share of taxes received From Government	-	-	-	-
	(i) Property tax				
	(ii) Betterment tax	-	-	-	-
	(iii) Surface materials	-	-	-	-
	(iv) Local cess	-	-	-	-
(11)	Other Taxes-	-	-	-	-
	Total	-	-	-	-

C- Rates

(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	-	-	-	-
Total		-	-	-	-

D- Fees

(1)	Licence fees for animals	-	-	-	-
(2)	Licence fees for vehicles	-	-	-	-
(3)	Licence fees for articles of food and drink	-	-	-	-
(4)	Licence fees for dangerous and offensive trades	-	-	-	-
(5)	Licence fees for encroachments	-	-	-	-
(6)	Licence fees for Tehbazaari	-	-	-	-
(7)	Other Licence fees	-	-	-	-
(8)	Fees for Educational institutions	-	-	-	-
(9)	Fees for markets	-	-	-	-
(10)	Fees for fairs/agricultural shows/ industrial exhibitions/tournaments & Public gathering	-	-	-	-
(11)	Fees for slaughtering of animals	-	-	-	-
(12)	Fees for medical institutions	-	-	-	-
(13)	Vaccination fees	-	-	-	-
(14)	Fees for veterinary institutions	-	-	-	-
(15)	fees for fire brigade	-	-	-	-
(16)	Copying fees	-	-	-	-
(17)	Share of cotton fees received From Government.	-	-	-	-
(18)	Share of Paddy fees received Form Govt.	-	-	-	-
(19)	Other fees	-	-	-	-
Total		-	-	-	-

E- Rent

(1)	Rents of Councils Property	-	-	-	-
(2)	Rent of Nazul Property	-	-	-	-
(3)	Other rents	-	-	-	-
Total		-	-	-	-

F- Other Receipts

(1)	Receipts on account of 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)	Receipts on account of the sale of trees and plants	-	-	-	-
(5)	Receipt on account of the sale of land and other immovable	-	-	-	-
(6)	return on investments	-	-	-	-
(7)	Share from magisterial fine	-	-	-	-
(8)	Miscellaneous receipts	-	-	-	-
Total		-	-	-	-

G- Grants

(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		-	-	-	-

CAPITAL

(1)	Grants for Drainage	-	-	-	-
(2)	Grants for water supply	-	-	-	-
(3)	Grant for roads	-	-	-	-
(4)	Grant for sanitation	-	-	-	-
(5)	Grant for work	-	-	-	-
(6)	Grant for cattle ponds	-	-	-	-
(7)	Grant of 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)	Recovery of Loans	-	-	-	-
(15)	Share from magisterial fines	-	-	-	-
(16)	Cess on any tax levied by Govt.	-	-	-	-
(17)	Sale of immovable property	-	-	-	-
(18)	Disposal of capital assets	-	-	-	-
(19)	Sale of investments	-	-	-	-
(20)	Gants and receipts of non- Recurring	-	-	-	-
(21)	Other capital receipts	-	-	-	-
(22)	Recovery of arrears	-	-	-	-
(23)	Miscellaneous	-	-	-	-
	Sub-Total	-	-	-	-
	Security deposits	-	-	-	-
	Grand Total	-	-	-	-

FORM B-2
(See Rule 6)
ESTIMATES OF EXPENDITURE

Serial No.	Head of Account	Budget estimated	Revised Estimates of the current year	Sanctioned Budget Estimates for the current year	Actual of the preceding year
1	2	3	4	5	6

REVENUE

A- Establishment Expenditure

Name of the Department

(a) Pay of Officer (s)

(i) Salary	-	-	-	-
(ii) Allowances	-	-	-	-
(iii) Honoraria	-	-	-	-

Total	-	-	-	-
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(b) Pay of Staff

(i) Salary	-	-	-	-
(ii) Allowances	-	-	-	-
(iii) Honoraria	-	-	-	-

Total	-	-	-	-
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B- Contingencies

(a) Revenue (Services)	-	-	-	-
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(b) capital (Commodities)	-	-	-	-
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Total	-	-	-	-
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C- Development Works

(a) Buildings	-	-	-	-
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(b) Roads	-	-	-	-
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(c) Parks	-	-	-	-
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(d) Water Supply	-	-	-	-
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Total	-	-	-	-
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D- Charged Expenditure

(a)	Audit fees	-	-	-	-
(b)	Contribution towards Maintenance of Sindh Councils Unified Grades Services and Local Councils Accounts Committees Other committees	-	-	-	-
(c)	Contribution for Maintenance of divisional and district coordination Committees	-	-	-	-
(d)	Other charged expenditure and amount payable to Government	-	-	-	-
(c)	Share of export tax payable to Union Councils	-	-	-	-
<hr/> Total <hr/>		-	-	-	-

CAPITAL**A- Loans**

(a)	Re-payments of Principal amount	-	-	-	-
(b)	Payment of interests (returns)	-	-	-	-
<hr/> Total <hr/>		-	-	-	-

B- Investments

(a)	Earmarked investments	-	-	-	-
(b)	Non-earmarked investments	-	-	-	-
<hr/> Total <hr/>		-	-	-	-

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	-	-	-	-
H- Replacement costs	-	-	-	-
I- Miscellaneous	-	-	-	-
Total	-	-	-	-

FORM B-3

(See Rule 7)

DEMANDS FOR GRANT

Head of Account	Sub-Head of account	Demand of 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	-	-	-