



**SYSTEM OF FINANCIAL CONTROL
AND
BUDGETING**
(September - 2006)

**GOVERNMENT OF PAKISTAN
FINANCE DIVISION
ISLAMABAD**

Islamabad, the 13th September, 2006

OFFICE MEMORANDUM

SUBJECT:- SYSTEM OF FINANCIAL CONTROL AND BUDGETING

The undersigned is directed to refer to the New System of Financial Control and Budgeting introduced with effect from 1st July, 2000 vide the Finance Division's O.M.No. F.3 (4) Exp.III/2000 dated 30-6-2000 on the above subject and to state that it has been decided to review the system with a view to delegating more powers to administrative Ministries/Divisions and bring it in line with the Chart of Accounts (CoA) as laid down by the Auditor General of Pakistan.

2. The procedures and financial limits laid down in this O.M shall take with immediate effect.

3. Principal Accounting Officer: The Secretary shall be the Principal Accounting Officer of the Ministry/Division, Attached Departments and Subordinate Offices in respect of the expenditure incurred against the budget grant (s) of the Ministry/Division. The term Secretary shall include the Principal Secretary, the Acting Secretary, the Additional Secretary Incharge or the Senior Joint Secretary/Joint Secretary Incharge of a Division.

4. Duties and Responsibilities of Principal Accounting Officer: In the duties and responsibilities of the Principal Accounting Officer, finance is an essential element in policy questions and the Principal Accounting Officer is to ensure that financial considerations are taken into account at all stages in framing and implementing decisions. The Principal Accounting Officer shall be assisted by a Chief Finance and Accounts Officer (CFAO) and Financial Adviser (FA) in the discharge of his duties in financial and budgetary matters. The delegation of greater financial powers to the Principal Accounting Officer entails greater responsibilities also. The Principal Accounting Officer is responsible not only for the efficient and economical conduct of the Ministries/Divisions/Departments etc, but also continues to be personally answerable before the Public Accounts Committee. The two main principles to

be observed are economy: (getting full value for money) and regularity: (spending money for the purposes and in the manner prescribed by law & rules). The General Financial Rules (GFR) Vol.I emphasize the following principles:

- (i) **Propriety:** The expenditure is incurred with due regard to high standards of financial propriety.
- (ii) **Purpose:** The funds allotted to a Ministry/Division, Attached Departments and Subordinate Offices are spent for the purpose for which they are allocated.
- (iii) **Rules & Regulations:** The funds are spent in accordance with relevant rules and regulations.
- (iv) **Limitations:** The actual expenditure does not exceed the budget allocation.
- (v) **Prudence:** The expenditure is not, *prima facie*, more than the occasion demands, and that every government servant exercises the same vigilance in respect of the expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money.
- (vi) **Public Advantage:** No authority exercises the powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage and that public moneys are not utilized for the benefit of a particular person or section of the community unless the amount of expenditure involved is insignificant, or the claim for the amount can be enforced in a court of law, or the expenditure is in pursuance of a recognized policy or custom.
- (vii) **Allowances Not To Be a Source of Profit:** The amount of allowances, such as travelling allowance, granted to meet the expenditure of a particular type, is so regulated that the allowances are not, on the whole, a source of profit to the recipient.
- (viii) **Inevitable Payments:** In pursuance of the GFR Vol.I, the Principal Accounting Officer shall adopt the procedure laid down therein. Under para 105 of GFR- Vol.I, it is an important principle that money indisputably payable should not, as far as possible, be left unpaid and that money paid should, under no circumstances, be kept out of accounts a day longer than is absolutely necessary. It is no economy to postpone inevitable payments and it is very important to ascertain, provide for in the budget estimates, liquidate and record the payment of all actual obligations at the earlier possible date. Besides, the Principal Accounting Officer

shall make prompt payments to suppliers and contractors against their invoices or running bills within the time given in the conditions of the contract which shall not exceed thirty (30) days, as stipulated in rule 43 of Public Procurement Rules (PPR), 2004 issued by the Finance Division vide SRO 432(1)/2004 dated 8th June, 2004.

5. Other duties and responsibilities of the Principal Accounting Officer shall be as under:-

- (a) **Proposals for Budgetary Allocations:** The Principal Accounting Officer shall consider budgetary proposals submitted to him and shall, after careful scrutiny, forward the proposals to Financial Adviser's Organization for budgetary allocations. The proposals for the expenditure not covered in the delegated powers shall also be forwarded by the Principal Accounting Officer to the Financial Adviser's Organization/Finance Division.
- (b) **Control Over Expenditure:** The Principal Accounting Officer shall ensure that the funds allotted to a Ministry/ Division, etc. are spent for the purpose for which these are allotted. He shall also ensure that the expenditure falls within the ambit of a Grant or an Appropriation duly authenticated, is normally proportionate to the budget allotment and that the flow of expenditure does not give rise to demand for additional funds. The expenditure in excess of the amount of Grant or Appropriation as well as the expenditure not falling within the scope or intention of any Grant or Appropriation, unless regularized by a Supplementary Grant or a Technical Supplementary Grant, shall be treated unauthorized. The Principal Accounting Officer is responsible for any laxity in matters of control over expenditure including that on the part of subordinates. He shall ensure that neither he nor his subordinates disregard the instructions issued by government from time to time for proper utilization of funds placed at his disposal. The principle of personal answerability shall not, however, be applicable in a case in which a Principal Accounting Officer has been over-ruled by his Minister on a matter of importance affecting the financial administration of his Ministry/Division and is required to take a course of action which he regards as inconsistent with his duties as Principal Accounting Officer. In such cases he should not hesitate to submit the case to the Minister explaining how that particular course of action is inconsistent with his duties as the Principal Accounting Officer.
- (c) **Observance of Rules, Regulations & Instructions:** While sanctioning expenditure out of the funds placed at his disposal, the Principal Accounting Officer shall ensure that the requirements of the relevant rules and regulations are fully met and that the approval of the Finance Division has been obtained in all cases which are not covered by a standing authorization that may have been delegated.

- (d) **Maintenance and Reconciliation of Accounts: The Principal Accounting Officer** is responsible for ensuring that the expenditure is not incurred in excess of the budget allocation. He shall ensure that payments are correctly classified under the appropriate heads of accounts and that departmental accounts are regularly reconciled every month with the figures communicated by the Controller General of Accounts (CGA)/Accountant General of Pakistan Revenues (AGPR). He shall, in addition, keep himself well informed not only of the actual expenditure but also of the liabilities, which have been incurred and must ultimately be met. Any anticipated excesses and savings should be readjusted by means of re-appropriation to the extent powers have been delegated to the Principal Accounting Officer under the new procedure. Similarly, the Principal Accounting Officer shall make sure that the accounts of receipts shall be maintained properly and reconciled on monthly basis.
- (e) **Realization of Receipts:** In the matter of receipts pertaining to the Ministry/Division, Attached Departments and Subordinate Offices, the Principal Accounting Officer is expected to ensure that adequate machinery exists for due collection and bringing to account of all receipts of any kind connected with the functions of the Ministry/Division (s)/Departments and Subordinate Offices under his control.
- (f) **Public Accounts Committee (PAC) and Departmental Accounts Committee (DAC):** Being personally accountable to the PAC, the Principal Accounting Officer shall attend all the meetings of PAC. The Principal Accounting Officer/Additional Secretary or equivalent shall regularly hold meetings of DAC as Chairperson, with Financial/Deputy Financial Adviser and Director General (Audit) as Members and Chief Finance and Accounts Officer as Member/Secretary to watch the processing of Audit & Inspection Reports and decide upon appropriate measures so as to aid and accelerate the process of finalization.

6. Chief Finance and Accounts Officer: In each Ministry/Division, there shall be a Chief Finance and Accounts Officer (CFAO) under the Principal Accounting Officer who shall assist him and report to him as part of his team. The CFAO shall be a well- trained and experienced officer and equivalent to Joint Secretary or Deputy Secretary, as may be appropriate, to assist the Principal Accounting Officer in matters relating to risk management, asset protection, internal control/audit, reconciliation of accounts, monitoring and coordination with DAC, PAC and financial proprieties of expenditure and receipts. The CFAO shall have such supporting officers and staff as may be necessary. The orders for posting of CFAO shall be issued by the Establishment

Division in consultation with the Auditor General of Pakistan. The officers posted as such by the Establishment Division, shall not be transferable to any other Wing of the Ministry/Division. The CFAO and the officers/staff under him shall be under the administrative control of the Ministry/Division to which he is attached. However, the transfer of the CFAO out of the Ministry/Division shall be with the concurrence of the Auditor General of Pakistan. He shall work directly under the Principal Accounting Officer and be accountable to him. He shall coordinate his work with the Financial Adviser's Organization. (Till such time that the Ministries/Divisions have been provided CFAO, the present F&A Officers shall continue to perform their duties.)

7. Duties and Responsibilities of the Chief Finance and Accounts

Officer: The duties and responsibilities of the CFAO shall be as under: -

- (i) Maintenance and Reconciliation of Accounts:** He shall systematize proper maintenance of accounts and their timely reconciliation with the actual figures of the CGA/AGPR and maintenance of 'Liability Register' in the Ministry/Division, its Attached Departments and Subordinate Offices. He shall monitor the progress of the expenditure and receipts and furnish, with the approval of the Principal Accounting Officer, a monthly statement of departmental expenditure and receipts to Financial Adviser's Organization and the Finance Division (Budget and Accounts Section - Budget Wing) by the 10th and the reconciled statement of expenditure and receipts by the 25th of the month following the month to which it relates.
- (ii) Coordination and Scrutiny of Budget: Expenditure and Receipts:** He shall undertake coordination and internal scrutiny of budget estimates of expenditure as well as receipts of Ministry/Division, its Attached Departments and Subordinate Offices, including Budget Order (BO) and New-Items Statement (NIS) in accordance with the Budget Call Circular issued by the Finance Division and proposals for additional funds to be met out of Supplementary Grant.
- (iii) Consolidation of Public Sector Development Programme (PSDP):** He shall be responsible for consolidation of PSDP so that the development schemes of the Ministry/Division are prepared in accordance with the prescribed procedure and instructions under the supervision and with the approval of the Principal Accounting Officer.

- (iv) **Advice in Delegated Field:** He shall tender advice to the Principal Accounting Officer in the delegated field, where called upon, in all matters of payment and matters affecting the accounts or any other matter concerning propriety and regularity of transactions
- (v) **Processing of Cases in Non-Delegated Field:** He shall process, in accordance with the prescribed rules and procedure, cases relating to the non-delegated field, and matters relating to foreign exchange, and demands for Supplementary Grant, which are required to be referred to the main Finance Division through the Financial Adviser.
- (vi) **Public Accounts Committee (PAC) and Department Accounts Committee (DAC):** He shall be responsible for the work relating to PAC, DAC and audit observations on Appropriation Accounts and Audit Reports, ensuring compliance with the PAC observations and recommendations. He shall assist the Principal Accounting Officer, prepare necessary Briefs for PAC/DAC and attend the meetings of the PAC and DAC alongwith the Principal Accounting Officer in the case of PAC and Additional Secretary/equivalent officer in the case of DAC.
- (vii) **Compliance with Rules, Regulations and Orders:** He shall tender advice to the Principal Accounting Officer for compliance of rules, such as GFR, Fundamental Rules (FR), Supplementary Rules (SR), Federal Treasury Rules (FTR) and other regulations, instructions and orders issued by the Finance Division from time to time.
- (viii) **Internal Control :** He shall be responsible for observance of Internal Control prescribed by the CGA in the Ministry/Division, Attached Departments and Subordinate Offices. He shall assist and advise the Principal Accounting Officer for preventing irregularities, waste and fraud and shall exercise internal checks as provided in para 13 of GFRs Volume-I, which reads that:
 - (a) rules on handling and custody of cash are properly understood and applied;
 - (b) an effective system of internal check exists for securing regularity and propriety in the various transactions including receipt and issue of stores etc., if any, and
 - (c) a satisfactory arrangement exists for a systematic and proper maintenance of Account Books and other ancillary records concerned with the Initial Accounts.
- (ix) **Internal Audit:** He shall conduct the Internal Audit of the Ministry/Division Attached Departments and Subordinate Offices and incorporate the results of these inspections in the form of an inspection report and furnish the Internal Audit Report to the Principal Accounting Officer. The Principal Accounting Officer

shall, after scrutiny of the reports, communicate to Audit, copies of the reports alongwith remarks and orders/action(s) taken thereon.

8. Powers Delegated to Ministries/Divisions/Departments: The powers delegated to Ministries/Divisions/Departments are indicated below:-

- (a) Powers are delegated to the Principal Accounting Officer in the Ministries/Divisions and the Head of Departments, respectively **(Annex-I)**. They may exercise these powers without consulting the Financial Adviser. The Chief Finance and Accounts Officers may, however, be consulted, where considered necessary or advisable. His advice can however, be over-ruled by the Principal Accounting Officer who may record reasons for overruling the advice. The powers so delegated shall be subject to the observance of austerity measures taken by the government from time to time and the following conditions:-
- (1) availability of funds, by valid appropriation or re-appropriation where permissible, from within the sanctioned budget grant; and
 - (2) availability of foreign exchange, where required, from within the allocation of foreign exchange sanctioned for the Ministry/Division concerned provided:-
 - (i) specific provision exists in the foreign exchange budget;
 - (ii) it does not involve re-appropriation from “imports” to “invisible” or vice versa;
 - (iii) it does not involve travel by another carrier on routes where PIA flights operate; and
 - (iv) it does not involve expenditure on entertainment or contingencies.
- (b) The Current Expenditure in the first half of the financial year shall be restricted to 40% of the total budget allocation in the financial year. In the second half of the financial year, the Finance Division shall issue separate instructions in respect of the balance 60% of the budgetary allocation.
- (c) The financial powers delegated to the Ministries/Divisions under the FR and SR, GFR etc., prior to the introduction of Financial Adviser’s Scheme, shall stand enhanced/modified to the extent stated in this Office Memorandum.
- (d) Except as specifically provided **(Annex I)**, further delegation of delegated powers **(Annex I)** may, as considered appropriate, be made by the Secretaries of the administrative Ministries/Divisions and Heads of Departments to the officers subordinate to them without consulting the Financial Adviser.

Note :- The term “Head of Department ”denotes” Head of Department as defined in S.R.2 (10).

9. Role of Financial Adviser: Basically, FAs will facilitate and support the operations of Ministries/Divisions that they are assigned to, and to provide constructive advice to the Principal Accounting Officer. The Financial Adviser's scheme has the following elements:-

- (a) The Financial Adviser shall continue to be under the administrative control of the Finance Division, and shall, subject to the provisions of sub-paras (d) and (e) below, exercise the powers of the Joint Secretary to the Finance Division in relation to the Ministries/Divisions to which he is attached. The Financial Adviser shall represent the Finance Division in a comprehensive manner and be the focal point in financial management of the Ministries/Divisions. He shall monitor the monthly statement of expenditure and receipts forwarded by the CFAO, as mentioned in pra 7 (I) and draw after careful scrutiny, the Principal Accounting Officer's attention to discrepancies, if any and shall also submit comments to AFS(E).
- (b) The Financial Adviser shall be assisted by Deputy Financial Advisers depending on the number of Divisions allocated and the quantum of work entrusted to him. The Financial Adviser/Deputy Financial Adviser and their staff shall be paid from the budget grant of the Finance Division.
- (c) The advice of the Financial Adviser in cases falling outside the field of delegated powers shall be binding on the administrative Ministries/Divisions. In case of a difference of opinion with the Financial Adviser, the Secretary of the Ministry/Division may take-up the case with the Additional Finance Secretary (Expenditure)(AFS-E)/Finance Secretary (FS), or the Minister may take it up with the Finance Minister (FM).
- (d) The Finance Division (Main) shall continue to deal with the matters relating to interpretation, application and relaxation of service and financial rules and regulations, and allocation of foreign exchange in accordance with the prescribed procedure. Except for the cases relating to interpretation, application and relaxation of service rules and regulations which shall be forwarded by Ministries/Divisions directly to the Finance Division (Regulations Wing), the other cases shall be routed through F.A.
- (e) Financial sanctions relating to service rules and regulations which are accorded with the concurrence of the Finance Division (Regulations Wing) will be endorsed to audit through that Wing and not through the Deputy Financial Adviser of the Ministries/Divisions.

10. Reference to Financial Adviser/ Finance Division: In cases where a reference to the Financial Adviser/Finance Division is necessary, the Chief Finance and Accounts Officer shall ensure that:-

- (a) the case is properly examined in accordance with the relevant rules and orders;
- (b) the facts of the case and the point of reference are clearly stated in a self-contained note or office memorandum which shall be submitted in duplicate; and
- (c) such further data and information is furnished as may be asked for by the Financial Adviser/Deputy Financial Adviser/Finance Division for the proper disposal of the issues referred to him.

11. Responsibilities and Powers of the Financial Adviser: The responsibilities and powers of the Financial Adviser/Deputy Financial Adviser in respect of Ministries/Divisions to which they are attached shall be as follows:-

(A) Current Expenditure

- (i) **Approval of Expenditure and Budget Provision:** The Financial Advisor shall have full powers to approve expenditure proposals and to accept budget provision, except that the cases involving important issues of policy shall be submitted to the Additional Finance Secretary (Exp.)/Finance Secretary/Finance Minister.

Note-1: Deputy Secretary (Exp.)/DFAs shall have powers to approve expenditure proposal and to accept budget provision upto Rs.5,000,000.(Rs. Five Million).

Note-2: Financial sanctions requiring endorsement by the Finance Division other than sanctions relating to service rules and regulations which are accorded with concurrence of Finance Division (Regulations Wing) shall be endorsed to Audit through the Deputy Financial Adviser of the Ministry/Division concerned.

- (ii) **Lump-sum Provision:** The expenditure to be financed from a lump-sum provision shall be examined and disposed of by the Financial Adviser. He shall submit a monthly statement of such expenditures to AFS(E).

- (iii) **Proposal for Supplementary Grant In Respect of Unexpected Expenditure:** Proposals for Supplementary Grant shall like other expenditure proposals, be examined by the Financial Adviser concerned as per the instructions contained in **Annex-II** to this Office Memorandum. The Financial Advisor shall submit cases for sanctioning of Token Supplementary Grant to AFS (E) for approval. He shall submit the cases for Technical

Supplementary Grant upto Rs. 100,000,000 (Rs. One hundred Million) for approval of AFS(E). The cases for sanctioning of Technical Supplementary Grant beyond Rs. 100 million and regular Supplementary Grant shall be submitted by the FA, through AFS(E), to the Finance Secretary for approval.

- (iv) Re-appropriation of Funds:** The powers of re- appropriation of the Finance Division, as set out (**Annex-I**) shall be exercised by Financial Adviser except reappropriation from, to, or within the Employees Related Expenses and from Utility Charges which shall be submitted by Financial Advisor to AFS(E) for approval.
- (v) Creation of Posts:** The Financial Advisor shall submit cases for creation of posts to AFS(E) in BPS-1 to 19 for approval. The cases for creation of posts in BPS-20 and above shall be submitted by the FA, through AFS(E), to the Finance Secretary for approval. However, a proposal/case, involving creation of a large number of posts in the pay scales mentioned above and necessitating a hierarchical structure requiring the creation of posts above BS-19, shall be dealt with as a single proposal/case. The whole case shall, irrespective of the scale of posts, require approval at the level of the Finance Secretary.
- (vi) Appointment of Contingent Paid Staff:** The Financial Adviser shall submit proposals for appointment of contingent paid staff to AFS(E) for approval.
- (vii) Write-off of Losses:** The Financial Advisor shall dispose of cases for write-off of losses beyond Rs.5, 000,000 (Rs. Five Million) upto Rs. 10,000,000 (Rs. Ten Million). He shall submit cases for write-off of losses upto Rs.20, 000,000 (Rs. Twenty Million) to AFS(E) for approval. The cases for write off of losses above Rs.20,000,000 (Rs. Twenty million) shall be submitted by the FA, through AFS(E), to Finance Secretary for approval. These powers shall be exercised within the framework of para 47 of GFR- Vol.I.
- (viii) Representation of the Finance Division on Committees:** The Financial Advisers/Deputy Financial Advisers, accredited to the administrative Ministries/Divisions shall represent the Finance Division at various Committees, including PAC and DAC and prepare Briefs for Finance Secretary/AFS(E). Since Secretaries/PAOs have full powers for purchases, hence normally FAs/DFAs will not be the members of the Purchase Committees of Ministries/Divisions, which shall include officials of Ministries/Divisions/Departments. If PAOs so wish they may seek an exception from Finance Division if so required.

(B) Development Expenditure

- (i) The Financial Adviser shall be associated with the processing of development schemes from beginning to completion. He shall be responsible for the scrutiny and approval of development schemes of the Federal Government costing upto Rs. 40 million, which do not require submission to the Central Development Working Party (CDWP). However, before according approval, the Financial Adviser shall consult the Finance Division (Development Wing), where necessary, to ensure policy coordination.
- (ii) He shall be responsible for scrutiny of development schemes sponsored by the Ministries/Divisions for consideration of the Central Development Working Party (CDWP). He shall furnish his views to the AFS(E) through Finance Division (Development Wing). The Finance Division (Development Wing) shall ensure the following: -
 - (a) The scheme fits into the overall development plan.
 - (b) The scheme does not clash with any other scheme of any other Ministry/Division/Department either in principle or in detail and there is no contradictory policy being followed in schemes of two different Ministries/Divisions/Departments.
 - (c) There is no duplication in the schemes of the various Ministries/Divisions/Departments both in major work and in detailed working.

Note: Financial Advisers and Deputy Financial Advisers shall exercise their powers within the guidelines approved by the Finance Division.

12. Representation of the Finance Division in Development

Working Parties: The meetings of the Departmental Development Working Party (DDWP) shall be attended by Financial Advisor/Deputy Financial Advisor and meetings of the Central Development Working Party (CDWP) by Additional Finance Secretary (Expenditure).

13. Budgetary Procedure: The powers to sanction expenditure within the budget grants have been delegated to the administrative Ministries/Divisions. Yet, the finalization of the budget proposals continues to be the responsibility of the Finance Division. Budget is, therefore, to be used as the most important instrument of financial control. No proposals for expenditure shall be included in the budget unless these have been concurred in by the Finance Division after scrutiny. The scrutiny of budgetary proposals by Ministries/Divisions through the Financial Adviser for inclusion in the

budget shall, as far as possible, be undertaken by the Finance Division as a pre-budget exercise. The budgetary proposals shall be submitted by administrative Ministries/Divisions to the Financial Advisor with the approval of the Principal Accounting Officer. The Financial Advisor shall carefully scrutinize the proposals before agreeing to budget provision. Once a provision for expenditure has been made in the budget and it has become effective, administrative Ministries/Divisions shall have the authority to sanction expenditure from within their sanctioned budget grants, subject to the powers delegated to them and the fulfillment of the conditions laid down therefore under this Office Memorandum. Ministries/Divisions, while issuing expenditure sanctions without further consultation with the Financial Advisers in cases within the financial competence of the Principal Accounting Officer shall ensure that Object Wise details are shown both in Part I and Part II Budget Estimates. The salient features of the budgetary procedure shall be as follows:

- (i) **Budget a Continuous Process:** Budgeting being a continuous process, the preparation of the budget shall begin well ahead of the year to which it relates.
- (ii) **Estimates of Expenditure: Approval and Issuance of Budget Order(BO) and New Items Statement (NIS):** All the proposals for Employees Related Expenditure and other expenditure shall be cleared with the Financial Adviser as soon as these are ready. Part-I of the Budget Estimates (relating to standing and fluctuating charges) and Part-II Budget Estimates (relating to fresh charges) shall be scrutinized finally by the Financial Adviser concerned who will approve and issue to the Finance Division (Budget Wing) and the AGPR copies of the BOs in respect of Part-I Budget Estimates and verified copies of NISs in respect of Part-II Budget Estimates in accordance with the instructions contained in the Budget Call Circular. The admitted Part-I and Part-II Budget Estimates shall be compiled together into "Demands" by the Finance Division (Budget Wing).
- (iii) **Estimates of Tax and Non-Tax Revenues:** The estimates of Tax Revenues, Non Tax Revenues and Capital Receipts shall also first be coordinated and scrutinized by the Chief Finance and Accounts Officer and submitted with the approval of the Principal Accounting Officer to the Financial Adviser for approval. The estimates, as approved and verified by the Financial Adviser, shall be furnished to the Finance Division (Budget Wing) in accordance with the instructions contained in the Budget Call Circular.

- (iv) **Lump Sum Provision in Current Expenditure:** Lump-sum provision in the budget shall not be proposed or made except in exceptional circumstances such as lump provision for late NIS, late receipt of directives etc which shall be recorded. Where such a provision is made in the budget, expenditure sanction shall be given with the concurrence of the Financial Adviser.
- (v) **Lump Sum Provision in PSDP:** No sector-wise lump-sum allocation shall be made in the PSDP as a general policy, except in exceptional circumstances, which shall invariably be recorded. In respect of such lump-sum provisions, the sponsoring Ministries/ Divisions/Departments/ Subordinate Offices concerned shall invariably furnish a list of approved schemes indicating bifurcation of the lump-sum allocation against each scheme to FAs/Planning and Development Division and other organizations concerned. Releases against this provision shall be made with the prior approval of Financial Advisers.
- (vi) **Allocations in the PSDP for New Unapproved Schemes/Projects:** Allocation in the PSDP for new unapproved development schemes/projects shall be made in exceptional circumstances only, after anticipatory approval of such new schemes/projects by the competent authority.
- (vii) **Cash Plan of PSDP and Releases of Funds:** During the first quarter of the financial year, releases of the allocations provided in the PSDP for individual schemes, as have already been approved formally by the competent authority or have been given anticipatory approval by the Chairman, ECNEC, shall be made by the Secretary of the Ministry/Division concerned/PAO without approval of FA's Organization in accordance with the Cash Plan of the projects duly approved by the Secretary of the Ministry/Division and Planning and Development Division. All releases during the remaining three-quarters of the financial year shall be made with the prior approval of Financial Adviser's Organization in accordance with the approved Cash Plan. The releases shall be subject to utilization of funds released earlier, after furnishing a certificate by the Principal Accounting Officer regarding satisfactory implementation of approved Work Plan for the previous quarter of the financial year. The releases shall not be unduly delayed.
- (viii) **Supplementary Grants:** There are three forms of Supplementary Grants: Token, Technical and Regular.
- (a) The Token Supplementary Grant is sanctioned to open and operate a new budget head.
- (b) The Technical Supplementary Grant is sanctioned to transfer funds from a Grant/Demand as a result of accrual of saving to another Grant/Demand, which needs provision of additional funds.

- (c) The Regular Supplementary Grant is sanctioned when saving is not available either through reappropriation of funds from within the same Grant/Demand or Technical Supplementary Grant from one Grant/Demand to another Grant/Demand.

While the Technical Supplementary Grant does not imply any additionality to the sanctioned budget grant, the Regular Supplementary Grant involves an upward change in the sanctioned budget grant. All Supplementary Grants have to be presented to the Parliament for ex-post authorization. Ministries/Divisions should, therefore, be able to anticipate the requirements well ahead of the financial year to which the budget relates and obtain the concurrence of the Finance Division, thereby eliminating the necessity for Supplementary Grants. Finance Division will look with disfavour upon any request for Supplementary Grants except in extraordinary circumstances. In such circumstances, the Finance Division would expect an explanation of the failure to foresee the additional expenditure at the time of submission of budget proposals. The funds obtained through Supplementary Grants shall be expended for the purposes for which these have been sanctioned. In Current Expenditure, demands for Supplementary Grants/Technical Supplementary Grants shall not be made, except in extraordinary circumstances for which full justifications shall have to be furnished to the Financial Adviser/Finance Division with reason as to why the additional expenditure could not be foreseen at the time of submission of proposals for budget provision. In case of Technical Supplementary Grants in the Current Expenditure, the procedure prescribed for surrender of funds from one Demand/Grant and reallocation to another Demand/Grant shall have to be followed. Similarly, in Development Expenditure, while sanctioning the Technical Supplementary Grants, the prescribed procedure for surrender of savings shall have to be completed. Likewise, for reallocation of funds from one development project to another as a result of review of the PSDP, the prescribed procedure for surrender of savings shall have to be completed. For this purpose, Planning and Development Division shall indicate matching savings which shall have to be surrendered before allocation of additional funds to another project. This process shall be completed expeditiously to ensure that the release of funds to development schemes/projects is not unduly delayed. The last date for submission of Schedule of Supplementary Grants/Technical Supplementary Grants to the Finance Division (Budget Wing) shall be 31st May of the financial year. Such proposals for Supplementary Grants/Technical Supplementary Grants shall be submitted in pursuance of the Constitutional provisions and GFR and on the prescribed proforma **(Annex-II)**.

- (ix) Foreign Exchange Budget in PSDP:** The foreign exchange budget shall be prepared in accordance with the instructions issued by the Finance Division (External Finance Wing) from time to time.

14. Power of Sanctioning Projects: The existing sanctioning powers of various authorities are indicated below :-

S.No	Authority	Sanctioning Power
1	Executive Committee of National Economic Council (ECNEC)	Schemes costing above Rs. 500 million. (Planning and Development Division's letter No.20(1) PIA/PC/ 2005, dated 14 th March, 2005)
2	Central Development Working Party (CDWP)	Schemes costing upto Rs. 500 million. Subject to the condition that the Ministry of Finance does not disagree. (Planning and Development Division's letter No.20(1) PIA/PC/ 2005, dated 14 th March, 2005)
3	Departmental Development Working Party (DDWP)	Schemes costing upto Rs. 40 million. This power shall be subject to the following conditions:- (i) Ministry/Division concerned shall create a proper planning and monitoring unit within the organization and set-up a DDWP, in which a representative of the Ministry of Finance is included. (ii) The Ministry of Finance does not disagree with the decision of the DDWP; in case there is any disagreement, the scheme shall be submitted to the CDWP/ECNEC. (iii) A copy of PC-I Form of the scheme shall be furnished to the Finance Division and Planning and Development Division at least 10 days before the meeting of the DDWP; Planning and Development Division will also have the right to express their views on the PC.I and to attend the meeting of the DDWP. (iv) A copy of the scheme finally approved by the DDWP will be promptly furnished to the Planning & Development Division and Ministry of Finance (Development Wing). (Planning and Development Division's letter No.20(1) DA/PC/ 2000, dated 19 th June, 2000)

S.No	Authority	Sanctioning Power
4	Autonomous Bodies (Commercial/Non-Commercial)	<p>The autonomous organizations whether commercial or non-commercial having board by whatever name called, would be competent to sanction their development schemes with 100% self-financing with no government guarantee and involving less than 25% foreign exchange/foreign assistance, subject to the following:-</p> <p>(i) A Development Working Party should be constituted by each organization and notified to consider and approve their self-financed projects.</p> <p>(ii) The Development Working Party should be headed by the Chairman/Head of the Organization and, among others, should include representatives of the Planning & Development Division, the Finance Division, and the Ministry/Division concerned, each not below the rank of Joint Secretary.</p> <p>(iii) The quorum of the Development Working Party Should be incomplete without the presence of either representative of the Finance Division and the Planning and Development Division. In case either of these Divisions does not agree to the project proposal or any aspect thereof, the case would be referred to the CDWP for consideration.</p> <p>(iv) The decision of the Development Working Party will be subject to the endorsement of the board of the organization.</p> <p>(Planning and Development Division's letter No.21(2-Gen)/PIA/PC 2004, dated 18th December, 2004)</p>
	Federally Administered Tribal Areas (FATA)	
5	Agency/FR Development Sub-committee (ADSC/FRDSC)	<p>Upto Rs. 20 million.</p> <p>(Planning and Development Division's letter No.4(1-43)PIP/PC/2006-07 dated 6th July, 2006)</p>
6	FATA Development Working Party (FDWP)	<p>Above Rs. 20 million and upto Rs. 200 million.</p> <p>(Planning and Development Division's letter No.4(1-43)PIP/PC/2006-07 dated 6th July, 2006)</p>
	Northern Areas	
7	Northern Areas Departmental Development Working Committee (NADDWC)	<p>Upto Rs. 20 million</p> <p>(Kashmir Affairs & Northern Areas Divisions Notification's No.14(11/99-CS, dated 26th November, 1999)</p>
8.	Northern Areas Development Working Party (NADWP)	<p>Upto to Rs. 100 million</p> <p>(Kashmir Affairs & Northern Areas Divisions Notification's No.14(11/99-CS, dated 26th November, 1999)</p>

S.No.	Authority	Sanctioning Power
	Azad Government of the State of Jammu & Kashmir	
9	AJ & K Development Working Party	Upto Rs. 40 million
10	AJ & K Cabinet Development Committee	Upto Rs. 200 million
	Islamabad Capital Territory (ICT)	
11	Islamabad Development Working Party	Upto Rs. 40 million (Planning and Development Division's letter No.20(1)DA/PC/2000 dated 18 th November, 2000)

15. This O.M shall be issued subject to the following conditions:-

- (a) Except as set out in sub-para (b) below this O.M supersedes this Division's O.M.No.F.3(4)Exp.III/2000, dated 30th June, 2000.
- (b) In cases that had arisen before the date of the coming into effect of this O.M. the instructions contained in this Division's O.M.No.F.3(4)Exp.III/2000, dated 30th June, 2000 shall apply.
- (c) This system shall not be applicable to Defence Services where the Revised System of Financial Management for Defence Services as introduced in Ministry of Defence letter No.F.1/335/81/D-21 (Budget) dated the 26th December, 1981 as modified from time to time, shall continue to be in force.

(Tauqir Ahmed)
Addl. Finance Secretary (Exp.)
Ph: 9202576

Secretaries/Additional Secretary Incharge of Ministries/Divisions.

Copy forwarded to :-

1. President's Secretariat (Public/Personal), Islamabad.
2. Prime Minister's Secretariat (Public/Personal), Islamabad.
3. Supreme Court of Pakistan, Islamabad.
4. Federal Shariat Court, Islamabad.
5. National Assembly Secretariat, Islamabad.
6. Senate Secretariat, Islamabad.
7. Wafaqi Mohtasib's Secretariat, Islamabad.
8. Federal Tax Ombudsman's Secretariat, Islamabad.
9. Election Commission of Pakistan, Islamabad.
10. Auditor General of Pakistan, Islamabad.
11. Controller General of Accounts, Islamabad.
12. A.G.P.R., Islamabad.
13. Chief Accounts Officer, Ministry of Foreign Affairs, Islamabad.
14. Finance Division (Military) Rawalpindi.
15. Central Directorate of National Savings, Islamabad.
16. Monopoly Control Authority, Islamabad.
17. Pakistan Mint, Lahore-9.
18. Federal Treasury Office, Islamabad/Karachi.
19. All Officers/FAs/DFAs, Finance Division, Islamabad.
20. Chief Secretaries, Governments of Punjab/Sindh/NWFP/Baluchistan.
21. Chief Secretary, Azad Government of Jammu & Kashmir, Muzaffarabad.

(Obaidur Rehman Khan)
Deputy Secretary (Exp)
Ph: 9211079

Annex-I

**See para 8(a) of the Finance Division's O.M.No.F.3(2)Exp-III/2006, dated -7-2006
FINANCIAL POWERS DELEGATED TO THE MINISTRIES/DIVISIONS AND THE HEADS OF THE DEPTTS.**

S.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
1	Creation of temporary posts	<p>The creation of new posts in the Current Expenditure shall require the approval of the Finance Division, even when these are included in the current budget. The Secretaries of the Ministries/Divisions shall have full powers to create new posts (s) in the Development Expenditure/PSDP, included in PC-I or PC-II after the approval of the project by the relevant forum subject to availability of development budget against Employees Related Expenses. These posts shall be continued on year to year basis till the completion of the project. Such posts(s) will cease to exist on the closure/ completion of the project. After completion of the project and submission of PC-IV, the barest minimum and essential posts(s) shall be converted from Development Expenditure to Current Expenditure with the approval of the Financial Adviser.</p>	<p>Head of Foreign Missions may create a temporary post for a maximum period of 5 days for enabling the transferred official to brief the incoming official and to hand over to him accountable documents etc.</p>	<p>(i) A post in any office or department which has remained vacant for a period of three years or more shall be deemed to have been abolished. The powers for revival of that post shall not be exercised without obtaining prior approval of the Financial Adviser.</p> <p>(ii) Financial Adviser's concurrence for continuance of temporary posts in the next financial year may be sought well before the beginning of that year so that the posts not agreed to by the Financial Adviser are not continued in the next financial year even for a day.</p> <p>(iii) The proposals for creation of temporary posts belonging to Occupational Groups/Services administratively controlled by the Establishment Division will first be referred to the Establishment Division for clearance.</p>
2	Conversion of a temporary post into a permanent post	<p>Full powers, subject to the following conditions: Posts which have been in existence continuously for five years or more, and have been created for work of a permanent nature, and are likely to continue for an indefinite period.</p>	<p>As in column 3.</p>	<p>Details of temporary posts converted into permanent during the course of a financial year, which are proposed to be transferred from Part-II to Part-I of the budget for the next year, should invariably be reported to the Financial Adviser before the 1st October, every year.</p>

SL.NO	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
3	Abolition of posts	Full Powers	As in Column 3.	
4	Reimbursement of Medical Charges	Full powers subject to availability of budget	As in Column 3.	
5	Re-appropriation of funds	<p>Full powers, subject to the observance of the following general restrictions and to the supply of a certificate to Audit by the administrative Ministry/Division while issuing orders for re-appropriation to the effect that the expenditure to be met by re-appropriation from the relevant minor and detailed objects was not foreseen at the time of budget; the expenditure cannot be reduced nor can it be postponed to the next year; and the expenditure in question was not specifically disallowed by the Finance Division at the time of approving the budget estimates.</p> <p>General Instructions:</p> <p>(l) (a) No appropriation or re-appropriation may be made:</p> <p style="padding-left: 40px;">(i) from one grant to another;</p> <p style="padding-left: 40px;">(ii) after the expiry of the financial year;</p> <p style="padding-left: 40px;">(iii) between funds authorized for expenditure charged on the Federal Consolidated Fund and other expenditure;</p> <p>(b) Funds may not be appropriated or re-appropriated to meet:</p> <p style="padding-left: 40px;">(i) any item of expenditure which has not been sanctioned by an authority competent to sanction it;</p>	As in Column 3.	

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	4
		<p>(ii) expenditure on a “new service” not provided for in the budget estimates authorized for the year; and</p> <p>(iii) expenditure for a purpose the allotment for which was specifically reduced or refused by the National Assembly.</p> <p>(II) (a) All powers of appropriation and re-appropriation conferred upon Administrative Ministries/Divisions/ Departments/Sub-ordinate Offices and other authorities are subject to the condition that without the previous consent of the Financial Adviser/Finance Division:</p> <p>(i) an authority may not meet, by re-appropriation, expenditure which it is not empowered to meet by appropriation;.</p> <p>(ii) lump-sum provision for expenditure included in a grant may not be appropriated or re-appropriated;</p> <p>(b) No re-appropriation may be made:</p> <p>(i) from Development to Current Expenditure and vice-versa;</p> <p>(ii) from to, or within the Employees Related Expenses, from Operating Expenses-Communication-Telephone & Trunk Calls, Telex, Teleprinter & FAX, Electronic Communication; Utilities: Gas, Water, Electricity; Secret Service Expenditure, Unforeseen Expenditure for Disaster Preparedness & Relief and Occupancy Costs.</p>		<p>If funds to meet a new service are available under the relevant grant, re-appropriation for such new service may be made after a token sum has been allocated through a Supplementary Grant.</p>

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
		<p>(iii) of provision specifically made in the budget for expenditure in foreign exchange to expenditure in local currency; and</p> <p>(iv) of provision allowed as Supplementary Grant;.</p> <p>(d) Funds may not be appropriated or re-appropriated to meet any expenditure, which is likely to involve further outlay in a future financial year.</p> <p>(III) (a) No Ministry/Division/ Department/Subordinate Office(including any autonomous body) shall be authorized to re-appropriate funds from one development scheme to another development scheme. In exceptional cases, however, re-appropriation of such funds may be allowed, where necessary, by Financial Adviser on the recommendation of Planning and Development Division.</p> <p>(b) In the case of development schemes controlled/ executed by the Planning and Development Division themselves, approval for re-appropriation of funds from one development scheme to another, if necessary, shall be made with the prior approval of the Financial Adviser to that Division.</p>		<p>In the case of expenditure on works, the conditions laid down in paragraphs 31 and 32 of Appendix 6 to the Central Public Works Account Code shall also apply.</p> <p>Appropriation or re-appropriation in accordance with provisions of S.No.5(I), (II) and (III) in Column 3 by a competent authority will, if that authority is authorized to sanction the expenditure in question, operate as sanction to such expenditure.</p>

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
6	Power to declare stores surplus or unserviceable.	Full powers, subject to prescribed conditions.	As in column 3.	Heads of Pakistan Missions abroad may exercise these powers in accordance with approved scales, in respect of the residences of officers subordinate to them.
7	Powers to sell surplus or unserviceable stores and stock by auction.	Full powers, subject to the prescribed conditions.	As in Column 3.	Heads of Pakistan Missions abroad may exercise these powers in accordance with approved scales, in respect of the residences of officers subordinate to them.
8	Write off of irrecoverable value of stores or public money due to losses on account of fraud, theft, etc.	<p>(i) Upto Rs. 5,000,000 (Rs. Five Million) in each case, provided that :-</p> <p>(a) the loss does not disclose a defect of system the amendment of which requires the orders of higher authority; and</p> <p>(b) there has not been any serious negligence on the part of some individual government officer or officers, which may possibly call for disciplinary action requiring the orders of any higher authority.</p> <p>(ii) Powers to write-off of losses up to a limit of Rs. 200,000 (Rs. Two Hundred Thousand) to cover deficiencies on account of breakage, shortage in transit, wastage, spoilage and bottling, dryness in storage and depreciation on account of wear and tear fluctuation in market prices and obsolescence.</p>	Upto to Rs. 100,000 (Rs. One hundred thousand) subject to observance of conditions mentioned in Column 3.	Subordinate authorities already enjoying the power in (ii) of Column 3 beyond this limit may continue to exercise those powers.

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
9	<p>Expenditure against provisions in the budget shall be sanctioned in the following manners:-</p> <p><u>Project Pre-Investment Analysis</u></p> <p>(1) Feasibility Studies, Research and Surveys and Exploratory Operations</p>	Full powers, subject to the prescribed conditions.	As in Column 3.	
	<p><u>Operating Expenses</u></p> <p>(2) Travelling Allowance.</p>	Full powers, subject to prescribed conditions.	As in Column 3.	
	(3) Transportation of goods.	Full powers.	As in Column 3.	
	(4) POL Charges and CNG Charges.	Full powers, subject to observance of ceilings where applicable.	As in Column 3.	
	(5) Conveyance charges.	Full powers, subject to prescribed conditions.	As in Column 3.	
	(6) Postage and Telegraph	Full powers	As in Column 3.	
	(7) Telephone and Trunk Calls.	Full powers, subject to observance of prescribed ceilings where applicable	As in Column 3.	
	(8) Telex and Teleprinter and FAX.	Full powers, subject to observance of prescribed ceilings where applicable	As in Column 3.	
	(9) Electronic Communication.	Full powers, subject to observance of prescribed ceilings where applicable	As in Column 3.	
	(10) Courier and Pilot Service.	Full powers	As in Column 3.	

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
	(11) Utilities (Gas, Water, Electricity) Hot & Cold Weather Charges, Others.	Full powers, subject to observance of prescribed ceilings where applicable.	As in Column 3.	
	(12) Office Stationary.	Full powers.	As in Column 3.	
	(13) Printing & Publications.	Full powers, provided that printing at a press other than a press of the Printing Corporation of Pakistan, should be undertaken only if the Principal Accounting Officer is satisfied that it is in public interest to do so and records a certificate to that effect.	As in Column 3.	The job of printing material of sensitive and classified nature shall continue to be performed by Printing Corporation of Pakistan. The Principal Accounting Officer shall determine the nature of such printing material.
	(14) Newspapers Periodicals and Books.	Full Powers.	As in Column 3.	
	(15) Uniform and Liveries.	Full Powers, provided that the purchase of uniforms and liveries shall be made subject to the prescribed scales and prices.	As in Column 3.	
	(16) Rent of non-residential buildings.	<p>(i) Works Division & Defence Division. Full powers.</p> <p>(ii) Ministry of Foreign Affairs. Full powers in respect of Pakistan Missions abroad.</p> <p>(iii) Other Ministries/Divisions:</p> <p>(a) Upto Rs. 100,000 (Rs. One Hundred Thousand) per month for Islamabad/Rawalpindi/Lahore/ Karachi/Peshawar/ Quetta.</p> <p>(b) Upto Rs. 50,000 (Rs. Fifty thousand) per month for other places.</p> <p>or as approved from time to time.</p>		<p>The powers to incur expenditure on rent of "non-residential" and "residential" buildings shall be subject to the approved rates and scales.</p> <p>In sanctioning rents, merits and local conditions in each case will be kept in mind.</p>

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
	(17) Rent of Residential Buildings.	(i) Full powers to incur expenditure from within the sanctioned budget grant as per prescribed rental ceiling and grant one year advance payment of rent during the lease period and subject to availability of funds. (ii) Ministry of Foreign Affairs: Full powers in respect of Pakistan Missions Abroad.	As in Column 3.	(1)In sanctioning rent, merits and local conditions in each case will be kept in mind. (2) Powers at (i) and (ii) in Column 3 may be exercised only in the case of government servants who are entitled to provision of residential accommodation under any general or specific orders.
	(18) Consultancy and Contractual Work.	Full Powers subject to observance of prescribed conditions.	As in Column 3.	
	(19) Royalties, Rates and Taxes, Rent of Machine and Equipment.	Full powers.	As in Column 3.	
	(20) Training-Domestic.	Full powers	As in Column 3.	
	(21) Payment to Government Departments for services rendered	Full powers.	As in Column 3.	
	(22) Essay writing and Copy Rights	Full powers.	As in Column 3.	
	(23) Law Charges.	Full powers, in consultation with Law Division.	As in Column 3.	
	(24) Fees to Law Officers	Full powers, in consultation with Law Division	As in Column 3.	

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
	(25) Exhibitions, Fairs and Other National Celebrations	Full powers.	As in Column 3	
	(26) Advertising and Publicity.	Full powers, subject to prescribed conditions.	As in Column 3.	
	(27) Payments to Others for services rendered	Full powers, subject to observance of prescribed conditions.	As in Column 3.	
	(28) Purchase of drugs and medicines.	Full powers.	As in Column 3.	
	(29) Contribution & Subscription	Full Powers	As in Column 3.	
	(30) Expenditure on Pakistani delegations to Foreign Countries	Full powers, in accordance with prescribed conditions.	As in Column 3.	
	(31) Loss on Exchange	Full powers, in accordance with prescribed conditions.	As in Column 3.	
	(32) Secret Service Expenditure	Full powers, in accordance with prescribed conditions.	As in Column 3.	
	(33) Conferences/ Seminars/work shops/Symposia	Full powers, in accordance with prescribed conditions.	As in Column 3.	
	(34) Unforeseen Expenditure.	Rs. 100,000 (One Hundred Thousand)	Rs. 50,000 (Rs. Fifty Thousand)	
	Employees Retirement Benefits (35) Reimbursement of Medical Charges to Pensioners.	Full powers subject to availability of budget.	As in Column 3.	

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
	<p><u>Grants</u></p> <p>(36) Grants domestic.</p>	<p>(i) Institutions wholly financed by the government:- Full powers, to release the amount specifically provided for this purpose in the budget subject to the prescribed conditions.</p> <p>(ii) Institution not wholly financed by the government:-</p> <p>(a) Full powers subject to the prescribed conditions to sanction recurring grants, provided that specific budget provision in respect of each individual institutions is made.</p>	<p>As in clause (i) and (ii) (a) of Column 3.</p>	
		<p>(b) For non-recurring grants not covered by the rules; upto Rs. 10,000 (Rs. Ten Thousand) in a year subject to the prescribed conditions provided that budget provision exists.</p>		
	<p><u>Transfers</u></p> <p>(37) Scholarships, Bonuses and Other Awards.</p>	<p>Full powers in accordance with the approved rates for scales</p>	<p>As in Column 3.</p>	

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
	(38) Entertainment.	<p>(i) For light refreshment not exceeding Rs. 30 (Rs. Thirty) per head at meetings convened for official business. Decision to incur such expenditure will be taken only by officers of and above the status of Joint Secretary.</p> <p>(ii) For receptions, lunches and dinners: up to Rs.40,000 (Rs. Forty Thousand) in each case for Ministries/ Divisions subject to the condition that per head expenditure including taxes and soft drinks etc should not in any case exceed Rs. 1200 (Rs. Twelve Hundred).</p> <p>(iii) For serving lunch boxes not exceeding Rs. 200 (Rs. Two Hundred) per head in meeting which are prolonged beyond office hours without break in the interest of Government work.</p>	As in (i) of Column 3.	<p>Welcome or farewell receptions, lunches and dinners to Government functionaries should not be arranged at the expense of public exchequer.</p> <p>(a) Notwithstanding the provisions of para 8 (c) of this O.M. the power at (ii) and (iii) above shall not be delegated by the Secretaries of administrative Ministries/ Divisions to the officers subordinate to them in the Ministries/ Divisions and elsewhere.</p> <p>(b) The expenditure involved shall be subject to availability of budget. No proposals for reappropriation of funds from the restricted heads as mentioned at Sl. No 5 above and Supplementary Grant/Technical Supplementary Grant shall be entertained by Finance Division.</p>
	(39) Gifts	Upto Rs. 10,000 (Rs. Ten Thousand) in one year subject to availability of budget.		<p>(a) For presentation to the foreign dignitaries only.</p> <p>(b) Subject to the conditions mentioned under under Sl.No.9(38) (b) Coulmn 5 above.</p>

Sl.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
	<p>Expenditure on Acquiring of Physical Assets.</p> <p>(40) Purchase of Building, Computer Equipment, Commodity purchases (Cost of State), Other Stores and Stocks, Transport, Plant and Machinery, Furniture & Fixture and purchase of Other Assets.</p>	<p>Full powers, subject to observance of prescribed conditions & instructions of Cabinet Division, regarding purchase of transport.</p>	<p>As in Column 3.</p>	
	<p>Civil Works</p> <p>(41) Civil Works on Roads, Highways & Bridges, Irrigation Works, Embankment and Drainage Works, Building & Structures, Other Works and Telecommunication Works and Drought Emergency Relief Assistance (DERA) works.</p>	<p>Approved Development schemes- Full powers, subject to release of funds with the prior approval of Financial Adviser as provided under Para 13(vii) of this O.M. Non-Development Works-upto Rs. 1,000,000 (Rs.One Million).</p>		<p>Includes powers for purchase of land for Pakistan missions abroad and construction of building thereon.</p>
	<p>Repair & Maintenance</p> <p>(42) Transport</p>	<p>Rs. 100,000 (Rs. One Hundred Thousand) at any one time to one or any number of vehicles used by the Ministry/Division.</p>	<p>As in Column 3.</p>	<p>US \$ 2000 (\$ Two thousand) at any one time to one or any number of vehicles used by the Pakistan Missions Abroad.</p>

Sl.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
	(43) Machinery & Equipment, Furniture & Fixtures and Computer Equipment.	Full powers, subject to the prescribed conditions.	As in Column 3	(i) Heads of Missions abroad may exercise these powers in accordance with approved scales in respect of the residence of the officers subordinate to them. (ii) Heads of Pakistan Missions may incur expenditure on repairs up to 10% of the assessed market value of furniture and furnishing per financial year.
	(44) Buildings & Structure of Pakistan Missions abroad owned by the Government of Pakistan.	Ministry of Foreign Affairs; per financial year upto 10% of annual standard rent.	As in Column 3.	
	(45) Building & Structures (hired and the requisitioned)	Accommodation for office and residential purposes: upto two months rent as the land lord's liability limited to the lease period of not less than three years.		Heads of Missions: Upto \$ 200 (\$ Two hundred) per annum within the financial year. No liability shall be incurred for government on this account.
	(46) Powers to give administrative approval to works in respect of non- residential buildings	Works Division upto Rs. 2,000,000 (Rs. Two Million) Other Ministries and Divisions upto Rs. 500,000 (Rs. Five Hundred thousand)		

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
10	Powers to order refund in accordance with the rules or in pursuance of decisions of courts in respect of which no appeal is proposed to be filed.	Full powers	As in Column 3.	
11	Compensation payable to any individual under law, rules, or judgement of courts.	Full powers.	As in Column 3.	
12	Charges for remittance of pay and or allowances of establishment by money order or by bank drafts, other than leave salary.	Full powers.	As in Column 3.	
13	Powers to sanction investigation of claims of government servants to arrears of pay, allowances, etc.	Full powers subject to restrictions under paras 125 and 126 of GFR Vol.I.	As in Column 3.	Claims of government servants to arrears of pay and allowances or increments, or in respect of any underpayments, which have been allowed to remain in abeyance for a period exceeding one year may not be investigated by an Accountant General, except under the special orders of the competent authority, as vested under para 124 of GPR Vol.I.

SL.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
14	Fixation of initial pay by grant of premature increments in cases of first appointment under government of persons not already in the service of the Federal, or a Provincial Government.	<p>Powers to grant not more than six premature increments for the initial fixation of pay subject to the following conditions:-</p> <p>(a) In cases of persons appointed through the FPSC, premature increments should be granted, on the recommendations of the FPSC, and in consideration of the fact that suitable persons of requisite qualifications are not available in the minimum pay of the post.</p> <p>(b) No premature increments should be granted in cases of 'ad-hoc' appointments in anticipation of FPSC's recommendations.</p> <p>(c) In posts where appointment is not made through FPSC, premature increments should be granted only after the appointing authority certifies that suitable persons of requisite qualifications are not available on the minimum of the sanctioned pay scale of the posts.</p>	As in Column 3.	Six advance increments can also be allowed to those nominees of the FPSC who are already in government service over and above the minimum of the respective pay scale to which they are appointed and not over and above their protected pay under FR.22.

Sl.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
15	Fixation of initial pay of an officiating government servant on appointment to another post in a time scale of pay.	<p>Power to fix the initial pay in the time- scale of the new post at the stage at which it would have been fixed under the rules if the officiating pay in respect of the old post was the substantive pay, of the government servant provided that:-</p> <p>(a) the government servant concerned has held that post for a period of three years continuously (including period of leave) or would have held it for that period if not appointed to the other post; and</p> <p>(b) the appointing authority certifies that the government servant was not officiating in a leave or short term vacancy (sanctioned for less than one year) and was not likely to revert to a lower post at least for the period during which he/she holds the new post.</p>	As in Column 3.	In case where the initial pay in the time scale of a new post is fixed in exercise of these powers, the government servant will, for the purposes of subsequent draws of pay in that post (and for these purposes only), be treated as if the government servant were holding a lien on the old post.
16	Fixation of scales/rates of pay and allowances of posts in Pakistan Missions abroad to which recruitment is made locally.		Full powers to the heads of Pakistan Missions abroad concerned to sanction increase in scales/rates of pay corresponding to the increase allowed by the local government subject to the availability of budget provision.	

SI.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
17	Sanction to the undertaking of work for which an honorarium is offered and the grant of acceptance of an honorarium.	Full powers upto the level of Section Officer and equivalent. The amount should not exceed one month's pay of the government servant concerned on each occasion. In the case of recurring honoraria, this limit applies to the total of recurring payments made to an individual in a financial year.	As in Column 3.	<p>The power will be exercised subject to the condition that the relevant rules and policy instructions issued by the Finance Division from time to time are duly observed and that the grant of honorarium is not used as a device to compensate a government servant for special pay etc. not admissible under the rules. No expenditure should be incurred on honoraria in excess of the specific provision made for this purpose in the sanctioned budget grant and that if expenditure in cases of such provision becomes necessary at same stage, prior concurrence of the Financial Adviser shall be necessary before such expenditure is incurred.</p> <p>Notwithstanding the provisions of para 8 (c) of this O.M. this power shall not be delegated by the Secretaries of administrative Ministries/ Divisions and Heads of Departments to the officers subordinate to them in Ministries/ Divisions and Departments.</p>

Sl.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
18	Sanction of honoraria to government servants in connection with departmental examinations in accordance with the rules.	Full powers, in accordance with approved rates or scales.	As in column 3.	
19	Power to sanction the undertaking of work for which a fee is offered and acceptance of fee.	Full powers	As in Column 3.	
20	Exemption from crediting portion of fees to government.	Full powers in respect of fees paid to government servants for services rendered in Pakistan	As in Column 3.	One third of any fee in excess of \$ 1000 (\$ One thousand) or equivalent received by a civil servant for a foreign consultancy outside Pakistan shall be credited to general revenues.
21	Relaxation of the prescribed time limit for submission of TA Bill.	(i) Where no TA advance was drawn: Full powers. (ii) Where T.A advance was drawn: TA adjustment bill should be submitted within one year of the date of performance of journey by the government servant, failing which the advance will be recovered.	As in Column 3.	

Sl.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
22	Relaxation of the prescribed time limit where the family of transferred government servant could not join within one year due to shortage of accommodation, education of children or on medical or compassionate grounds.	Full powers, subject to the following conditions: (i) Instructions contained in Government Decision No.15 under S.R. 116 are duly observed. (ii) Where advance of TA had been drawn in respect of the family members and the family did not accompany the government servant, the advance would be refunded within one year.	As in Column 3.	
23	Relaxation of the prescribed time limit in respect of a member of the family of a transferred government servant preceding him	Full powers provided that the family performed the journey after the transfer orders for the government servant were issued.	As in Column 3.	
24	Power to decide the amount of permanent travelling allowance to be drawn by a government servant holding more than one post to which permanent travelling allowance is attached.	Full powers, provided that the limit laid down in SR 24 is not exceeded.		
25	Relaxation of prescribed time limit where the family could not follow a government servant granted leave travel concession within the prescribed period of one month on medical grounds or due to private affairs.	Full powers, subject to the adjustment of TA advance within twelve months.	As in Column 3.	

SI.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
26	Grant of permission for the family to precede a government servant granted leave travel concession.	Full Power, subject to the condition that the family precedes the government servant after the formal sanction of leave.	As in Column 3.	
27	Grant of TA concession during leave where leave is combined with extraordinary leave due to circumstances beyond the control of government servant.	Full powers.	As in Column 3.	
28	Permission to travel by air on transfer to a Pakistan Mission abroad in cases where air route is not the approved route.	Full powers to send an official by air. The decision shall be taken at the level of Secretary.		
29	Grant of travelling and daily allowance to non-official members of Commissions/ Committees etc. set-up by the government and to foreign experts.	Daily allowance upto the maximum rates admissible to government servants, and in addition, where the person concerned has, of necessity, to stay in a hotel, reimbursement of actual single room-rent, subject to the production of hotel receipts/vouchers, upto the maximum rate admissible to government servants.		
30	Grant of daily allowance for compulsory halt due to dislocation of communications.	Full powers.	As in Column 3.	

SI.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
31	Grant of extraordinary leave to temporary government servants upto one year for reasons beyond their control. .	Full powers	As in Column 3.	As prescribed under Revised Leave Rules, 1980.
32.	Grant of leave terms to employees appointed on contract.	Full powers to the extent covered by model rules laid down in Appendix-10 to FR & SR Vol.II.	As in Column 3.	In terms of Item No. 8 of the standard terms and conditions laid down vide Establishment Division's O.M. No.10/52/95-R-2, dated18-7-1996.
33	Grant of special disability leave.	Full powers provided that the disability manifests itself within three months after the occurrence of its cause.	As in Column 3.	
34	Grant of advance to government servants from various provident funds.	Full Powers, subject to the condition that advances will be allowed in a manner that only one advance will remain outstanding at one time.	As in Column 3.	
35	Permission to postpone recovery of advance drawn from the GP Fund for a specified period.	Power to postpone recovery of advance for a period not exceeding two years.	As in Column 3.	
36	Grant of advance for the purchase of Motor Car/Motor Cycle to temporary government servants.	Full powers subject to the production of surety bond and fulfillment of other conditions prescribed by the rules.	As in Column 3.	
37	Relaxation of the time limit of one month within which purchase of conveyance should be completed.	Full powers to raise the limit upto six months.	As in Column 3.	

Sl.NO	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
38	Authorization of the final payment of the dues of a deceased government servant to the members of family, dispensing with the production of succession certificate and guardianship certificate in the case of minor heir (s).	Full powers subject to the production of indemnity bond or provided that the amount or balance standing to the credit of a deceased subscriber in the fund is to the extent of Rs. 20,000 (Rs. Twenty thousand).	As in Column 3.	The amount is paid in accordance with the provisions of Clause (I) of sub-rule (I) of rule 234 of the Federal Treasury Rules Volume .I.
39	Question of deciding the real legal heir (s) in case where there is no nomination or the nomination is incorrect or invalid.	Full powers in consultation with the Law Division.	As in Column 3.	
40	Condonation of interruption of service.	Full powers provided each spell of service is qualifying but not in the case of voluntary retirement, or on resignation from public service.		Subject to fulfillment of conditions given under Civil Service Regulations (CSR) 420.
41	Condonation of deficiency in qualifying service for pension.	<p>Upto any period, less than a year if both the conditions mentioned below are satisfied:-</p> <p>(i) If a government servant dies while in service or retires under circumstances beyond control such as on invalidation or abolition of the post and would have completed another year of qualifying service if he/she had not died or retired.</p> <p>(ii) The service rendered was meritorious as laid down under CSR 423 (2) (b).</p>		The powers shall not be exercised in the case of government servants who have rendered less than 5 years continuous service.

Sl.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES/DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
42	Grant of conveyance allowance	<p>Power to sanction conveyance allowance to government servants whose ordinary duties involve extensive travelling at or within a short distance from the headquarters in terms of SR 25, provided that:-</p> <p>(a) the powers shall not be available in respect of officers and staff of the Ministries/Divisions; and</p> <p>(b) the expenditure can be met from within the sanctioned budget provision;</p>		Subject to rates approved by the Finance Division.
43	Power to sanction deputation of government servants.	<p><u>I. Temporary Duty Abroad</u></p> <p>Full powers subject to the following conditions and the orders issued by the Finance Division from time to time:-</p> <p>i) The approval of the competent authority has been obtained in accordance with the existing orders.</p> <p>(ii) Where no expenditure in foreign exchange on passage, daily allowance, registration fee, contingent items, etc. is involved: or where expenditure on pay, passage daily allowances, or registration fee is involved but it is to be borne by the Ministry/Division concerned under the normal rules from within the foreign exchange allocation made for the specified period.</p> <p>(iii) Sanction of drawl of pay, daily allowance etc, to the extent admissible under the normal rules, in foreign exchange in advance, if the duration of visit is upto one month and the rupee cover is provided by the government servant concerned.</p>		

SI.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
		<p>(iv) Grant of permission to the government servant to take his wife with him to the place of visit at this own expenses or when expenses on wife's passage are borne by the host government/ agency, provided that no additional foreign exchange is involved and that the wife travels exclusively by a Pakistan carrier, like PIA etc.</p> <p>II Training - International</p> <p>Full powers subject to the following conditions:-</p> <p>(i) Budget provision exists.</p> <p>(ii) The prescribed procedure is observed and approval of competent authority is obtained in accordance with the existing rules.</p> <p>(iii) The terms of deputation are in accordance with the general orders issued by the Finance Division on the subject from time to time.</p> <p>(iv) Foreign exchange expenditure is met out of the sanctioned allocation for the specified period.</p> <p>(v) Sanction of drawal of pay in advance in foreign exchange for a period not exceeding one month, if the rupee cover is provided by the government servant concerned.</p>		

SI.NO.	NAME OF POWERS	POWERS DELEGATED TO THE MINISTRIES /DIVISIONS	POWERS DELEGATED TO THE HEADS OF DEPARTMENTS	REMARKS
1	2	3	4	5
		<p>(vi) Grant of permission to government servant to take his wife with him on training abroad in the following cases:-</p> <p>(a) where the period of training is more than one year;</p> <p>(b) Where the period of training is one year or less and the cost of wife's passage is borne by the donor government/agency; and</p> <p>(c) where the period of training is more than six months but not more than one year and the government servant concerned bears cost of wife's passage etc. provided that no additional foreign exchange is involved, the wife travels exclusively by a Pakistani carrier like PIA etc, and the government servant concerned shall draw, in foreign currency, 50% of pay as admissible under the normal rules.</p>		<p>In both the cases mentioned at (vi) (a) and (b), the government servant will draw his full pay and allowances (excluding compensatory allowances) in foreign exchange for the period of stay of his wife abroad.</p> <p>The permission shall be granted by the Secretary or the Additional/Joint Secretary Incharge of a Division, who will certify that it would be desirable for the government servant to take his wife alongwith him. The Secretary/ Additional Incharge shall also satisfy that the salary, subsistence allowance etc, admissible in foreign exchange is adequate to cover the expenses.</p>
44	Advance payment to other government departments and government owned/ controlled organizations, in exceptional cases only.	Full Powers, subject to adjustment of previous advance, if any.	As in column 3.	

(See para 13 (viii) of the Finance Division's O.M.No.F.3(2)Exp.III/2006, dated July,2006)

Supplementary Grants

The provisions regarding supplementary grants as contained in the Constitution of the Islamic Republic of Pakistan and General Financial Rules are reproduced below :-

Constitutional Provision regarding Supplementary Grants

Article 84. If in respect of any financial year it is found-

- (a) that the amount authorized to be expended for a particular service for the current financial year is insufficient, or that a need has arisen for expenditure upon some new service not included in the Annual Budget Statement for that year; or
- (b) that any money has been spent on any service during a financial year in excess of the amount granted for that service for that year;

the Federal Government shall have power to authorize expenditure from the Federal Consolidated Fund, whether the expenditure is charged by the Constitution upon that Fund or not, and shall cause to be laid before the National Assembly a Supplementary Budget Statement or, as the case may be, an Excess Budget Statement, setting out the amount of that expenditure, and the provisions of Articles 80 to 83 shall apply to those statements as they apply to the Annual Budget Statement.

General Financial Rules

Para 98(1)(iv) “If such savings are not available, it should be seen whether special economies can be effected under other sub-heads. If funds cannot be provided by either of these methods, it will have to be considered whether the excess should be met by postponement of expenditure or whether an application for a supplementary grant should be made. In either case, application will have to be made to the Ministry of Finance through the Administrative Department concerned and the course recommended by the latter stated. Normally, an application for a supplementary grant will not be entertained by Government unless

the anticipated excess is due to a cause beyond the control of the authority concerned and funds cannot be found by any legitimate postponement of expenditure for which provision already exists. All application for supplementary grants should be accompanied by a full explanation of the reason for the excess and of the impossibility of providing funds to meet it”.

2. Keeping in view the above principles, the request for a Supplementary Grant should be made in a summary to be signed by the Principal Accounting Officer. The Summary should contain the information as indicated in the enclosed proforma (Appendix to Annex-III)

3. The Summary may be forwarded to the Finance Divisions. If the proposal is approved by the Finance Division, necessary sanction will be issued by the Division concerned under intimation to the Budget Wing of the Finance Division. The sanction letter shall state that it issues with the concurrence of the Finance Division and a copy of the sanction shall be endorsed to Audit by the Deputy Financial Adviser.

Appendix to Annex-II

PROFORMA FOR SUPPLEMENTARY GRANTS.

- (1) Budget Year
- (2) Demand No.
- (3) Demand Name:
- (4) Department Name:
- (5) Charged Other than Charged Current Development
Tick the Box applicable
- (6) Total expenditure involved in the proposal in the current year and the following years both recurring and non-recurring.
- (7) An Analysis of the Demand to which the expenditure is debitable indicating:-
 - (a) Amount provided detailed object-wise;
 - (b) Particulars of expenditure already incurred under each detailed object; and
 - (c) Particulars of commitment (including sanctions already issued) and plan of expenditure under each detailed object for the remaining part of the financial year.
- (8) Reasons why provision was not made in the budget.
- (9) The reasons why some of the contemplated expenditure at (7)(c) above cannot be dropped/ curtailed to accommodate the present proposal.
- (10) Reasons as to why the proposed expenditure cannot be postponed to a subsequent year;
- (11) Detailed justification of the proposal; and
- (12) Confirmation that no saving to meet the proposed expenditure is available under all the Demands controlled by principal Accounting Officer.

Name & Signature of Principal Accounting Officer