

**BUDGETARY MATTER/  
TOP PRIORITY**



**Integrated Budget Call Circular**

---

**2015-16**

**GOVERNMENT OF KHYBER PAKHTUNKHWA  
FINANCE DEPARTMENT**



**GOVERNMENT OF KHYBER PAKHTUNKHWA  
FINANCE DEPARTMENT**

No. BO.1/ FD/5-20/2015-2016/ BCC  
Dated Peshawar the 27/11/2014

To

1. The Additional Chief Secretary, Govt. of Khyber Pakhtunkhwa, Planning & Dev Dept.
2. The Senior Member, Revenue & Estate Deptt, Govt. of Khyber Pakhtunkhwa.
3. All Administrative Secretaries to Govt. of Khyber Pakhtunkhwa.
4. The Secretary, Provincial Assembly, Khyber Pakhtunkhwa, Peshawar.

**Subject: - BUDGET CALL CIRCULAR FOR THE YEAR 2015-2016 (BUDGET ESTIMATES), 2014-15 (REVISED ESTIMATES) AND MEDIUM TERM BUDGETARY FRAMEWORK/OUTPUT BASED BUDGET (MTBF/OBB) 2015-18.**

Dear Sir,

I am directed to refer to the subject noted above and to say that the Government of Khyber Pakhtunkhwa, as part of its reform agenda has been preparing Output Based Budget (OBB) under the Medium Term Budgetary Framework (MTBF). This form of budgeting is instrumental in translating the vision and mission of the Provincial Government as reflected in Strategic Development Partnership Framework and Integrated Development Strategy. Since MTBF/OBB envisages an approach different from the one followed under conventional budgeting, therefore, a separate set of guidelines and budget preparation forms have been developed to facilitate Departments/ Attached Departments and their spending units in the realization of the overall reforms agenda of the Government.

2. The Administrative Departments/Attached Departments are being provided **Indicative Budgetary Ceilings** for the next three years i.e. 2015-18 for Current Budget (**Appendix-A**). The Development Budget Ceilings will be communicated by the P&D Department through a separate letter in due course of time. Furthermore, Budget Review Meetings would be held with Finance and P&D Departments by the Line Departments, wherein these budget ceilings would be firmed up.

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

4. While formulating the Budget Estimates for the financial year 2015-16, it may kindly be appreciated that budget is not only an expression of figures rather it is a policy statement of government's estimated revenues and proposed expenditures and statement of policy objectives and priorities intended to be achieved in a financial year. Due diligence, reliability, accuracy and completeness of the required information will enable this Department to make right decision at the right time. MTBF Cell at Finance Department will be coordinating in the matter.

5. **This Budget Call Circular comprises of following two sections along with Indicative Budgetary Ceilings (Appendix-A) & Budget Calendar (Appendix-B).**

a) **Section (I)**

This section contains forms, instructions and procedures for Departmental Strategic Overview and Strategic Allocation of Ceilings to "outputs (services) under MTBF and the format of "RED BOOK (2015-18)" to be prepared by the Administrative Departments and submitted to the respective Budget Officers of Finance Department within the stipulated time period as per the Budget Call Circular.

b) **Section (II)**

This section contains Budget Preparation Forms (BM FORMS), Guidelines & Procedures for submission of Revised Estimates 2014-15 & Budget Estimates 2015-16 in respect of Current Expenditure & Receipts. These forms are intended to be filled in by the Fund Centers/Spending Units/DDOs according to the ceilings provided to them by their respective Administrative Departments. The Administrative Departments shall ensure the timely receipt of these forms from the Fund Centers/Spending Units/DDOs and forward the same to respective Budget Officers of Finance Departments within the stipulated time period as per the Budget Call Circular.

6. The form BM-6 for financial year 2015-16 will continue to be prepared through HR Database of Finance Department, as per procedure given in **Appendix-C**.

7. Each Head of the Department shall finalize the Budget Estimates for 2015-16 and Budget Forecasts for 2016-17 and 2017-18 in respect of all of its spending units including the erstwhile devolved units/offices on the prescribed forms at the spending DDO level. The Current Budget Indicative Ceilings communicated vide Appendix-A are inclusive of the estimates for these devolved units/offices. Consequent upon the promulgation/notification of the new Local Government Act 2013,



funds/budget in respect of these devolved units/offices will be retained by Finance Department for allocation through the Provincial Finance Commission Award to each of the respective District Government.

8. The Integrated Budget Call Circular comprising of two sections along with **Indicative Budgetary Ceilings (Appendix-A) & Budget Calendar at (Appendix-B)** are sent herewith **with the request** for preparation of budget for the financial year 2015-16, on the prescribed proforma, duly filled in and verified by the concerned Accounts Office, and to return the same to the Budget Officer concerned in the Finance Department in accordance with the time schedule.

9. The Administrative Departments are requested to furnish **Consolidated Statement** depicting the Budget Estimates 2015-16 and two outer years (2016-17 and 2017-18) bifurcated at the level of DDO & Salary/Non Salary showing adherence to the indicative budget ceilings.

10. The receipt of this letter may kindly be acknowledged and an early action is requested in the matter.

Encl: as above

Yours faithfully,

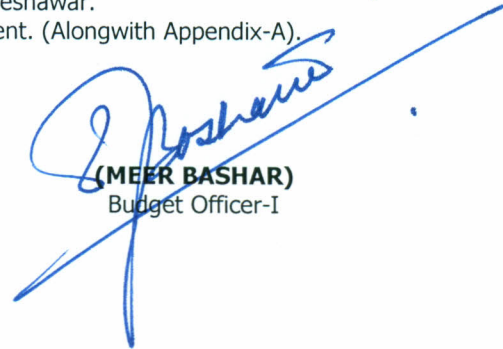


**(MUHAMMAD NASEEM)**  
Deputy Secretary (Budget-III)

**Endst: No. and Date even:**

Copy forwarded to:-

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



**(MEER BASHAR)**  
Budget Officer-I

# SECTION - I

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FORMS, INSTRUCTIONS & PROCEDURES FOR DEPARTMENTAL STRATEGIC OVERVIEW  
AND STRATEGIC ALLOCATION OF CEILINGS TO OUTPUTS(SERVICES) UNDER MTBF  
AND THE FORMAT OF “RED BOOK (2015-18)”

**FOR**  
**ADMINISTRATIVE DEPARTMENTS**

Please read the following instructions carefully before filling the forms.

## GENERAL GUIDELINES

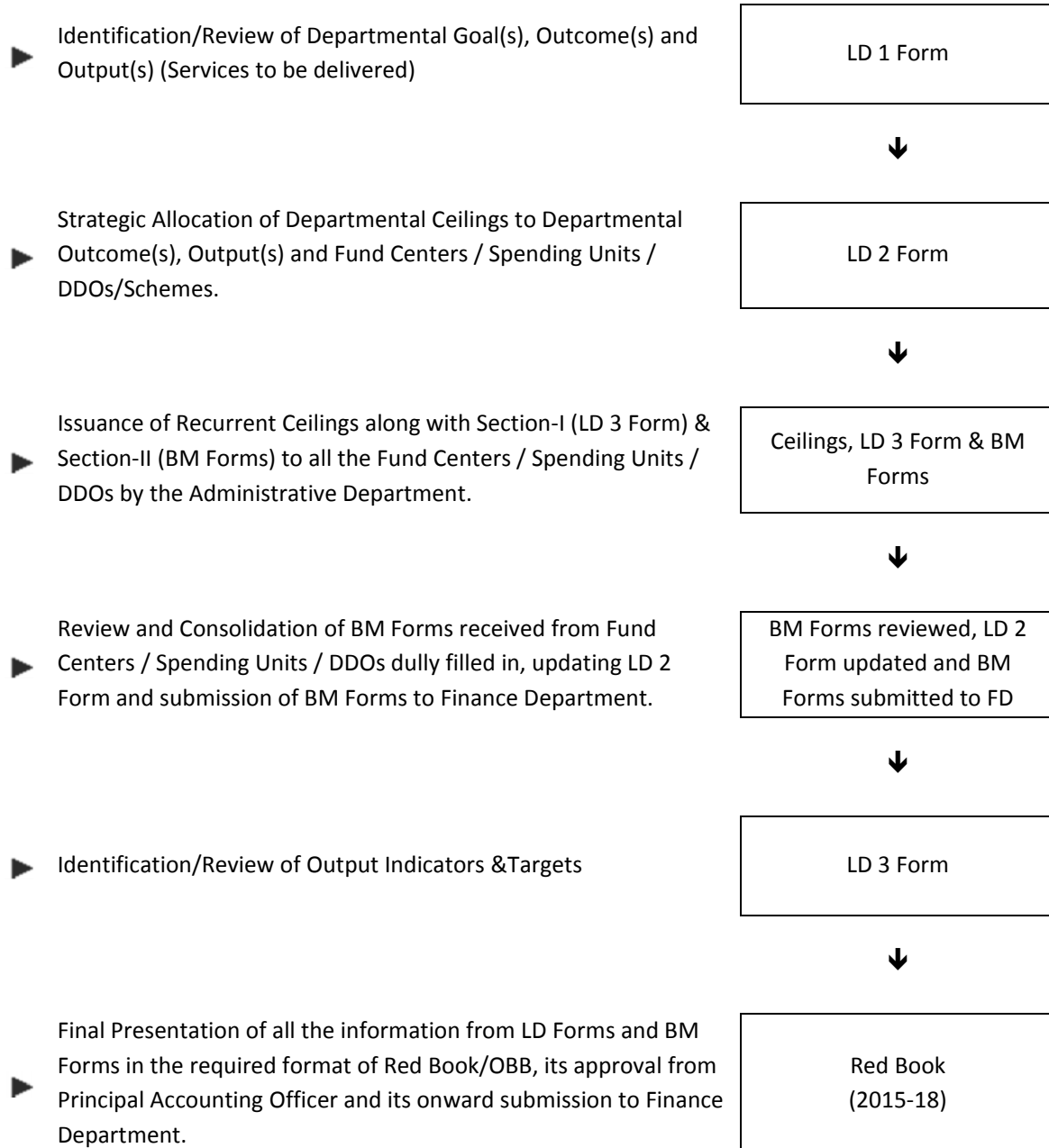
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1. Each Head of the Department shall finalize the ***Budget Estimates for 2015-16*** and ***Budget Forecasts for 2016-17*** and ***2017-18*** in respect of all of its spending units including the erstwhile-devolved units/offices on the prescribed forms at the spending DDO level. The **Current Budget Indicative Ceilings** communicated vide '**Appendix-A**' are inclusive of the estimates for these devolved units/offices. Consequent upon the promulgation/notification of the new '**Local Government Act 2013**', funds/budget in respect of these devolved units/offices will be retained by Finance Department for allocation through the Provincial Finance Commission Award to each of the respective District Government.
2. The strategic policies and priorities of each Department shall be aligned with the **Strategic Development Partnership Framework** and **Integrated Development Strategy**. Each Department shall consider its Output Based Budget under MTBF as a tool to translate these policy objectives into practice.
3. The budgetary proposals by the Administrative Departments shall be developed with due regard to the guidelines/instructions provided in this circular and all efforts shall be made to base these proposals on the evidence of people's needs.
4. Effective performance measurement as per the essence of Output Based Budgeting requires sound institutional mechanisms. Hence, it shall be ensured to disaggregate the performance information (indicators and targets) at the district and facility levels for greater transparency and accountability.
5. This section contains forms that are designed to prepare Medium-Term Output Based Budget (2015-18). These forms namely "LINE DEPARTMENT-FORMS" or simply LD-Forms are required to be filled in at the secretariat level.
6. The 'LD-Forms' should be prepared in collaboration with the strategic management of the Department. The strategic management includes Secretary and all Officers (technical, operational, administrative and planning) including Heads of Attached Departments who are directly involved in the strategic planning within a Department.
7. 'Medium Term Budget Estimates for Service Delivery' (Red Book) is prepared after 'LD Forms' and 'BUDGET MANUAL-FORMS' or simply BM-Forms (as per Section-I & Section II) are completed. The 'Red Book' should be approved by the concerned 'Principal Accounting Officer' and submitted to the respective budget officer of Finance Department within the stipulated time as per the Budget Calendar.
8. The MTBF Cell in Finance Department will serve as the "Help Desk" to facilitate the budget preparation process.

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

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



**GOVERNMENT OF KHYBER PAKHTUNKHWA  
DEPARTMENTAL OUTCOMES AND OUTPUTS  
2015-2018**

FORM LD- 1

- (1) **Department:**
- (2) **Principal Accounting Officer (Name & Designation) :**
  
- (3) **Departmental Goal(s):**

(4) <b>S.#</b>	(5) <b>Outcome(s)</b>	(6) <b>S.#</b>	(7) <b>Output(s)</b>

FORM LD-1

# INSTRUCTIONS FOR FILLING FORM LD-1

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## PURPOSE OF THE FORM

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

## LOGIC OF INTERVENTION

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

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

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

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

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

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

**Output:** A delivered service or product. Outputs are produced by activities. Outputs are delivered to an external party - usually the public, individually or collectively (e.g. infrastructure built/rehabilitated, licenses issued, provision of policy advice, investigations, vaccinations for boys and girls, better-trained staff). A particular output may be the result of a set of activities that are funded through the current budget, the development budget, or both. If the logic of intervention has been designed correctly, the delivery of outputs



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

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

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

## **SPECIFIC INSTRUCTIONS**

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- Serial Number 1.** Self-Explanatory.
- Serial Number 2.** Self-Explanatory.
- Serial Number 3.** Write Departmental goal(s) here. There can be more than one goal of a line Department.
- Serial Number 4.** Serial Numbers provide a basis for referencing between line Department's forms. These should carefully be numbered. e.g., Outcome A can be assigned Serial Number 1.
- Serial Number 5.** Write the name of the Outcome(s). The outcome(s) should clearly be linked to output(s) defined in Serial Number 7. An outcome can have one or more than one output.
- Serial Number 6.** Serial Numbers provide a basis for referencing between line Department's forms. Each Output should be numbered separately but in reference to the outcome. E.g. Output A contributing to Outcome A can be assigned Serial Number 1.1. An Output B contributing to Outcome A can be assigned Serial Number 1.2.
- Serial Number 7.** Write the name of Output(s). The output(s) should clearly be linked to outcomes(s) defined in Serial Number 5. Ideally, one output should only contribute to one outcome, to keep the process simple.

**GOVERNMENT OF KHYBER PAKHTUNKHWA  
STRATEGIC ALLOCATION OF CEILINGS  
2015-2018**

FORM LD - 2

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

Outcome (s)	Output (s)	Fund Centre Code / ADP NO	Description / Scheme Name	Salary / Non Salary	Recurrent / Development (R / D)	2013/14	2014/15	2015/16			2016/17			2017/18	Remarks / Reference	
						Actual Expenditure	Original Budget	Baseline Budget	Change to Baseline	Allocated Budget Ceiling	Baseline Budget	Change to Baseline	Allocated Budget Ceiling	Allocated Budget Ceiling		
						'000	'000	'000	'000	'000	'000	'000	'000	'000		
(19) <b>Total Recurrent Budget</b>																
(20) <b>Total Development Budget</b>																
(21) <b>Grand Total</b>																

## INSTRUCTIONS FOR FILLING FORM LD-2

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### PURPOSE OF THE FORM

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

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

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

### SPECIFIC INSTRUCTIONS

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- Serial Number 1.** Self-Explanatory
- Serial Number 2.** Self-Explanatory
- Serial Number 3.** Write the name of the Outcome(s). The outcome(s) should clearly be linked to output(s) defined in Serial Number 4. An outcome can have one or more than one output.
- Serial Number 4.** Write the name of Output(s). The output(s) should clearly be linked to outcomes(s) defined in Serial Number 3. Ideally, one output should only contribute to one outcome, to keep the process simple.
- Serial Number 5.** Write the 'Fund Center / Spending units / DDOs Code' for the Recurrent Budget OR 'ADP No.' for the developmental budget, which contributes to a particular output.
- Serial Number 6.** Write the description of the 'Fund Center / Spending units / DDOs or 'Development Scheme'.
- Serial Number 7.** For all budget estimates relating to the object head (A-01-employees related expenditure), write 'Salary'. For all other object heads, write 'Non Salary'.
- Serial Number 8.** Write 'R' for Current Budget Estimates and 'D' for Development Budget Estimates.
- Serial Number 9.** Write actual expenditure against each Fund Center / Spending unit / DDO / Scheme for the year 2013-14.
- Serial Number 10.** Write the Original Budget for 2014-15.

***For two of the Medium Term Budget years (2015-16 and 2016-17) fill in the following six columns (Serial Number 11 – 16):***

- Serial Number 11.** Write the Baseline Budget. This is the amount, which was allocated in the previous budget preparation cycle of 2014-15. Years 2015-16 and 2016-17 were the outer years in the previous budget cycle.
- Serial Number 12.** This column is used for identification of any change in the Base (Previous) year allocation and this year Allocation to the Fund Center / Spending unit / DDO / Scheme. This column will be the difference of Column 13 & Column 11.
- Serial Number 13.** Make the distribution of ceilings for the year *2015-16* to different Fund Centers / Spending units / DDOs/ Schemes here as per the priorities of the department.
- Serial Numbers 14-16.** Fill these columns in the same way as columns 11 to 13.
- Serial Number 17.** Write the ceilings for the year *2017-18* as allocated to the different Fund Centers / Spending Units / DDOs / Schemes.
- Serial Number 18.** Write any remarks. References to any supporting documents can also be made.
- Serial Number 19.** Write the total of the Current budget written against all the Outputs in the columns 9 to 17.
- Serial Number 20.** Write the total of the Development budget written against all the Outputs in the columns 9 to 17.
- Serial Number 21.** Write the Grand totals for each of the columns from 9 to 17.

**GOVERNMENT OF KHYBER PAKHTUNKHWA  
KEY PERFORMANCE INDICATORS AND TARGETS  
2015-2018**

**FORM LD - 3**

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

(3) S.#	(4) Output(s)	(5) Key Performance Indicator(s)	(6) Unit of Measurement (UOM)	(7) Base Year 2014-15		(9) Medium Term Target(s)			(12) Remarks
				(7) Target	(8) Progress	(9) 2015-16	(10) 2016-17	(11) 2017-18	

## INSTRUCTIONS FOR FILLING FORM LD-3

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### PURPOSE OF THE FORM

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

### NOTE:

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

**1. Provincial/Department Level:**

**Identifying key performance indicators and targets to assess the overall progress of the Department.**

**2. District Level:**

**Setting targets at the District and facility level against key performance indicators as per Para 1 above to assess progress against service delivery outputs. The district level performance information shall be separately furnished as addendum to LD-Form 3 (i.e., for Provincial/Department level).**

**3. The Key Performance Indicators and Targets shall be gender disaggregated, where relevant/possible.**

## SPECIFIC INSTRUCTIONS

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**Serial Number 1.** Self-Explanatory

**Serial Number 2.** Self-Explanatory

**Serial Number 3.** Serial numbers provide a basis for referencing between Line Department forms. These should carefully be numbered. The serial number assigned to Outputs in the Form LD – 1 should be used here.

**Serial Number 4.** Write the name of output(s). This should be the same as defined in the Form LD – 1.

**Serial Number 5.** Write Indicators here. This is the unit of measurement of Output. E.g., one of the educational services can be measured through provision of primary education services to the number of students enrolled every year.

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

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



*indicators/measures namely; Number of male students enrolled and Number of female students enrolled. These two can be assigned different targets.*

- Serial Number 6.** Write unit of measurement of the performance indicator.
- Serial Number 7.** Write the Targets for 2014-15 as per the **RED BOOK 2014-17** against the indicators mentioned in Serial Number 5.
- Serial Number 8.** Write the Progress for 2014-15 against the targets mentioned in the serial number 7.
- Serial Number 9.** Write medium term targets here for the year 2015-16.
- Serial Number 10.** Write medium term targets here for the year 2016-17.
- Serial Number 11.** Write medium term targets here for the year 2017-18.
- Serial Number 12.** Write remarks if any.

## **PURPOSE OF THE RED BOOK**

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This report is designed to assist the presentation of Medium Term Output Based Budget for 2015-18. The information on this report will be derived from the budget preparation forms for line Departments LD 1-3, Annual Development Plan and the BM Forms. **THE CONCERNED PRINCIPLE ACCOUNTING OFFICER SHALL APPROVE THIS REPORT.** This report will help different stakeholders in analyzing the cost of services (outputs) and their effect (outcomes) in the medium term as well as the performance of the Departments during the preceding year and the performance targets for the next three years.

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

# SPECIMEN FOR RED BOOK

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## NAME OF THE DEPARTMENT

### VISION OF THE DEPARTMENT

“ .....

### POLICY

“ .....

### DEPARTMENTAL OUTCOME (s) & OUTPUT(s)

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OUTCOMES	OUTPUTS
1.....	1.1....

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### STRATEGIC OVERVIEW

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

### ACHIEVEMENT(s)

Last year: (2014-15) Targets and Achievements.

### PRIORITY & FUTURE PLANS(s)

What are the priorities of the Department?

What are the futures plans of the Department i.e. plans for fiscal year 2015-18.

**MEDIUM TERM BUDGET ESTIMATES: BY MAJOR TYPE OF EXPENDITURE**

Major Object Head	Original Budget 2014-15	Budget Estimate(s) 2015-16	Budget Forecast(s) 2016-17	Budget Forecast(s) 2017-18
A01-Employee Related Expenses				
A03-Operating Expenses				
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<b>Grand Total</b>				

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

Description	Original Budget 2014-15	Budget Estimate(s) 2015-16	Budget Forecast(s) 2016-17	Budget Forecast(s) 2017-18
<b>1)Outcome</b>				
1.1)Output				
Salary				
Non-Salary				
Development/Capital				
<b>Grand Total</b>				

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

Outcome(s)/Output(s)	Key Performance Indicator(s)	Targets	Progress	Medium Term Targets	
		2014-15		2015-16	2016-17
<b>1) Outcome</b>					
<b>1.1)Output</b>	1.1.1) KPI				

# SECTION - II

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BUDGET PREPARATION FORMS, GUIDELINES & PROCEDURES FOR SUBMISSION OF  
REVISED ESTIMATES '2014-15' & BUDGET ESTIMATES '2015-16' IN RESPECT OF  
GOVERNMENT OF KHYBER PAKHTUNKHWA CURRENT EXPENDITURE & RECEIPTS

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

## IMPORTANT NOTES

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1. No re-appropriations will be made in Developmental Budget by the Administrative Departments as well as P&D Department, after reconciliation meetings.
2. The Form BM-6 for financial year 2015-16 will continue to be prepared through HR Database, as per procedure given in **Appendix-C**.
3. The Non-devolved Departments/Offices shall submit their respective Budget Estimates 2015-16 on spending DDO level.
4. The prescribed Forms (BM-1, 2, 6, 9 & 20) duly filled in, indicating expenditure and number of posts duly verified by the Audit Office shall have to be returned to the concerned Budget Officer in Finance Department in accordance with the time schedule shown in **Appendix-B**.



## **GUIDELINES/PROCEDURES FOR SUBMISSION OF REVISED ESTIMATES 2014-15 AND BUDGET ESTIMATES 2015-16 IN RESPECT OF CURRENT EXPENDITURE AND RECEIPTS**

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1. Detailed procedure for preparation and submission of Budget Estimates and Revised Estimates has been outlined in the Budget Manual and General Financial Rules. A time schedule for the submission of Revised Estimates 2014-15 and Budget Estimates 2015-16 in respect of Current Expenditure and Receipts of the Provincial Government is at **Appendix - B**, which has to be followed in letter and spirit.
2. This time-schedule is indicative of the stages and procedure adopted by the Finance Department before budget documents are printed. The successful preparation of the budget estimates and timely printing of the budget documents however, requires concerted efforts on the part of all the Administrative Departments, the Audit and Accounts Offices and the Finance Department. It is, therefore, imperative that the time-schedule is strictly adhered to and possible cooperation extended to Finance Department in the supply of material and information, as per past practice.

### **REVISED ESTIMATES 2014-15 (BM-20)**

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3. The preparation of Revised Estimates 2014-15 have to precede the framing of Budget Estimates 2015-16. The following factors need to be particularly taken into consideration while preparing the Revised Estimates:-
  - i) Actual for the first 5/6 months for the current financial year 2014-15 if not available then 4 months actual.
  - ii) Actual for last 7/8 months of the last financial year 2013-14 and the year preceding i.e. 2012-13.
  - iii) Orders issued or proposed to be issued regarding: -
    - (a) Appropriation or re-appropriation within the sanctioned grant.
    - (b) Surrenders already made or likely to be made due to any other relevant factors.
  - iv) Any other relevant factors.
  - v) Detailed reasons for variation.
4. The Revised Estimates 2014-15, so prepared, may be furnished to Finance Department indicating therein the breakup of the Excess and Surrenders or Re-appropriation From and To as well as Supplementary so as to reflect the same in the releases advices of Revised Estimates.

## **BUDGET ESTIMATES 2015-16 (BM- 1 & 2)**

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5. Estimates of current expenditure are required to be prepared in the following manner:
- i) Budget Estimates shall be prepared at the level of spending DDO both in the case of Current/Development Expenditure and Receipt Estimates;
  - ii) Departments are required to submit their Budget Estimates by carrying out a detailed exercise in order to assess the needs for the next financial year to avoid seeking supplementary or additional grants at the very onset of the financial year 2015-16.
  - iii) POL and Telephone estimates must be accompanied by detailed statement indicating the Designation of Officer, Entitlement of vehicle/telephone and ceiling for making budgetary allocations.
  - iv) The Budgetary allocations for development schemes transferred to current side would be kept temporarily in SNE (Continued) for two (2) years and will be merged thereafter into regular budget subject to necessary scrutiny.

## **SCHEDULE FOR NEW EXPENDITURE (FRESH) 2015-16 (BM 6/9)**

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6. While submitting SNE (New) proposals, the following details/information shall have to be furnished by the Administrative Departments, so as to ensure timely and logical decision in the matter:
- a) Detail of vehicles and year of purchase as well as the names of the officers to whom such vehicles have been allotted;
  - b) Condemnation Certificate of existing unserviceable vehicles for purchase of new vehicles;
  - c) Detail of existing sanctioned strength of posts with sufficient justification fulfilling formalities for establishment of new offices/creation of posts and post-wise financial implication;
  - d) Detail of existing Physical Assets such as Hardware, Machinery and Equipment, Furniture and Fixture etc. with the year of purchase indicating budgetary provisions.

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

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7. In terms of Article 120 of the Constitution, the estimates of expenditure included in the Budget Estimates shall show separately:-
- The sums required to meet expenditure described by the Constitution as expenditure charged upon the Provincial Consolidated Fund; and
  - The sums required to meet other expenditure proposed to be made from the Provincial Consolidated Funds, and shall distinguish expenditure on revenue account from other expenditure.

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

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

## **ECONOMY IN CURRENT EXPENDITURE**

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

**FORM BM-1**

(Referred to in Chapter 4,5,6)

Major & Minor Head of Accounts /Functions (a)	Actual 2013-14 (b)	Sanctioned Estimates 2014-15 (c)	Revised Estimate / Modified Grant 2014-15 (d)	Budget Estimates 2015-16 Proposed by (e)			Forecast 2016-17 (f)			Forecast 2017-18 (g)		
				Collecting or Disbursing Officer	Controlling Officer	Head of Department	Collecting or Disbursing Officer	Controlling Officer	Head of Dept.	Collecting or Disbursing Officer	Controlling Officer	Head of Department
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>Total</b>												

District

Controlling

Collecting

Head of Dept.

Disbursing Officer

- 
- a) In certain cases, the forms are printed with the details under minor heads and detailed heads filled in.
  - b) The financial year just closed should be entered here before the forms are printed.
  - c) The current financial year should be filled in here before the forms are printed. The sanctioned Estimates of the current financial year should be printed in this column before the Forms are distributed.
  - d) Here also the current financial year should be filled in before the forms are printed. In the forms, relating receipt "Revised Estimates" should be retained, whereas in those relating to expenditure "Modified grant" should be printed. The modified grant relating to expenditure should give the amount under each Primary Unit, which has been allotted to the Disbursing Officer up to-date. Only totals by Primary Units should be given.
  - e) Here the coming financial year should be filled before the forms are printed. Under this, an additional column for "Regional Head" may be added wherever necessary.
  - f) Forecasts for 2016-17 are to be made as per the existing policy and future requirements within the limit of ceilings provided for these years.
  - g) Forecasts for 2017-18 are to be made as per the existing policy and future requirements within the limit of ceilings provided for these years.

**FORM BM-2**

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

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

Major head/ function Sub-head/ function and primary units of appropriation	Number of Posts		Accounts (Financial year just closed)	Budget Estimates (Current Financial year)	Revised Estimates (Current Financial year)	Budget Estimates (Coming financial year)	Budget Forecast	Budget Forecast	Budget Estimates (Financial year just closed)	Accounts 2011-2012 (Financial year immediately preceding the one just closed)	Accounts 2010-2011 (Financial year before the immediately preceding financial year just closed)	Actual of the last eight months of the financial year just closed	Actual of the first 4 months of the current financial year	Revised Estimates (Current financial year proposed by the head of the Dept	Budget proposed by the Head of Dept. for the coming financial year 2015-2016							
	Current Financial year	Next Financial year																				
	2014-15	2015-16														2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2013-14
																	(a)		(b)	(c)		(d)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16							

- (a) Preprinted BM-2 may be obtained, containing the Budget Estimates 2014-15.
- (b) The salary budget may be picked from the computerized preprinted BM-6.
- (c) Forecasts for 2016-17 & 2017-18 are to be made as per the existing policy and future requirements within the limit of ceilings provided for these years.
- (d) Estimates adopted by the Finance Department to be entered here.
- (e) To be printed before the forms are supplied.

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

Receipt	Expenditure
Major Head	Demand No. _____
_____ Rs.	Function _____
_____	Charged _____
Total Receipt _____	Voted _____
Head of Dept: _____	Grand Total _____
	Head of Department

**NOTE: Figures in column 3 'No. of posts 2015-16' must tally with the number of posts provided through BM-6, based on HR database and detail of district wise booklets of sanctioned posts.**

**FORM BM-6**

(Refer to in Chapter 5)

STATEMENT SHOWING DETAILS OF THE ESTIMATED BASIC PAY AND ALLOWANCES  
FOR THE YEAR 2015-2016

Department:

District:

Scheme/DDO Code:

Scheme/DDO Name:

1	2	3	4	5	6	7	8	9	Detail of Regular Allowances (A012-1) and Other Allowances (A012-2)				
S#	Employee ID (automatically generated by HRD)	Personnel No as per Payroll	Name	Designation As per Budget Book	BPS As per Budget Book	Designation As per Pay Roll	BPS As per Pay Roll	BASIC PAY As per Pay Roll	(i) HRA	(ii) Medical Allowance	(iii) Conveyance Allowance	(iv) Any other Regular Allowance	v. Other Allowances
1.													
2.													

Note: - Pre-printed BM-6 containing details of all the available employees are being sent with this BCC to all the offices for verification. The Department/Offices may update the information by:

- i. Adding information about missing/newly appointed employees;
- ii. Identifying employees posted out/transferred, by clearly mentioning their new district, department, DDO/scheme name/office;
- iii. Identifying employees retired during the year;
- iv. The BM 6 for non-devolved Departments must be submitted to FMIU, Finance Department and to the EDOs (F&P) in case of devolved Departments.
- v. Separate BM 6 may be prepared for every spending level DDO as reflected in the budget books e.g. every high school, college etc.

Date:

**Designation and Signature of Officer**



**FORM BM-9**

(Refer to Chapter 8 & 9)  
 SCHEDULE OF NEW EXPENDITURE PROPOSED BY THE \_\_\_\_\_ FOR  
 INCLUSION IN THE BUDGET ESTIMATES FOR 2015-2016  
 Major Function \_\_\_\_\_

(1)	(2)	(3)			(4)	(5)	(6)			(7)		
Major function and Primary Unit of Appropriation	Particulars of Scheme	Amount to be spent during the year * 2015-2016 (coming financial year)			Foreign Exchange Component	No. and Date Finance Department Sanction (a)	Forecasts 2016-17 (b)			Forecasts 2017-18 (c)		
		Non-Recurring	Recurring	Total			Non-Recurring	Recurring	Total	Non-Recurring	Recurring	Total

**Note:-**

1. The Schedule to be prepared for each minor function separately.
  2. No Scheme should be entered in this schedule if funds have been proposed for it in the estimates of expenditure on permanent activities.
- \* That is in the year for which the schedule is prepared.
- (a) To be filled in at the time of submission of ten (10) copies for SNE meeting.
- (b) & (c) Forecasts for 2016-17 & 2017-18 are to be made as per the existing policy and future requirements within the limit of ceilings provided for these years.

## APPENDIX-B

SCHEDULE FOR CURRENT EXPENDITURE							
ITEM	B.M. Forms Distribution	Due Date of Submission to Finance Department	Examination & Finalization by Finance Department	Communication to Computer Wing (FMIU)	1 <sup>st</sup> Proof	2 <sup>nd</sup> Proof	Final Proof
<i>1<sup>st</sup> Edition Budget</i>	01.12.2014	31.01.2015	27.02.2015	01.03.2015	13.03.2015	20.03.2015	03.04.2015
<i>SNE (Contd.)</i>	01.12.2014	31.01.2015	27.02.2015	01.03.2015	13.03.2015	20.03.2015	03.04.2015
<i>SNE(Fresh)</i>	--	31.01.2015	27.02.2015	01.03.2015	13.03.2015	20.03.2015	03.04.2015
<i>Revised Estimates 2014-15</i>	01.12.2014	12.12.2014	15.12.2014 to 30.01.2015 (meeting)	30.01.2015	13.02.2015	20.02.2015	27.02.2015
<i>Supplementary Budget Estimates</i>	--	12.12.2014	05.03.2015	06.03.2015	13.03.2015	20.03.2015	27.03.2015

SCHEDULE FOR CURRENT EXPENDITURE (MTBF/OBB)			
S#	Activities	Responsible	Deadline (last date)
1.	Review of Goal(s), Outcome(s), Output(s) and Performance Indicator(s) of the Department	Administrative Department	05.12.2014
2.	Strategic Allocation of Departmental Ceilings (Recurrent) by Departmental Outcome(s), Output(s) and Fund Centers/Spending Units/DDOs.	Administrative Department	10.12.2014
3.	Issuance of Recurrent Ceilings along with 'Section-1 [LD-3 Form]' & Section-II [BM Forms]' to all the Funds Centers/Spending Units/DDOs.	Administrative Department	12.12.2014
4.	Submission of 'Section-1 [LD-3 Form]' & Section-II [BM Forms]' to Administrative Department.	Fund Centers/Spending Units/DDOs	02.01.2015
5.	Review & Consolidation of 'BM Forms & LD-3' Forms	Administrative Department	23.01.2015

<b>SCHEDULE FOR CURRENT EXPENDITURE (MTBF/OBB)</b>			
<b>S#</b>	<b>Activities</b>	<b>Responsible</b>	<b>Deadline (last date)</b>
6.	Submission of 'Section-II (BM Forms)' to Finance Department.	Administrative Department	31.01.2015
7.	Examination, 1 <sup>st</sup> Review of 'BM Forms' and submission to FMIU (Computer Wing)	Budget Sections of Finance Department	01.03.2015
8.	Meetings on 'Revised Estimates 2014-15' (to be concluded)	Finance Department	30.01.2015
9.	Letter of Indicative Budget Ceilings (3 years) to Administrative Departments for Development Budget Estimates.	P&D Department	19.12.2014
10.	Strategic allocation of Departmental Ceilings (Development) by Departmental Outcome(s), Output(s) and Programme/Schemes.	Administrative Department	19.01.2015
11.	Submission of Updated Section-I Forms (LD-1-3) to Finance Department and allied data on prescribed format for printing of 'RED BOOK (2015-18) to Finance Department.	Administrative Departments	16.03.2015
12.	Budget Review Meetings (to be concluded)	Finance, P&D and Administrative Departments	27.03.2015
13.	Finalization of 'Budget Estimates For Service Delivery 2015-18' (RED BOOK)	MTBF Cell Finance Department	03.04.2015
14.	Finalization of 'Budget Books (Demand for Grants) 2015-16.	Computer Wing/FMIU Finance Department.	03.04.2015

SCHEDULE OF RECEIPTS							
ITEM	B.M. Forms Distribution	Due date of submission to FD.	Examination & Finalization by Finance Department	Review by Finance Secretary.	Communication to Computer Wing (FMIU)	1 <sup>st</sup> Proof	Final Proof
BEs 2015-2016 R.Es 2013-2014	01.12.2014	22.12.2014	30.01.2015	04.02.15 to 10.02.15 (Meetings)	16.03.2015	20.03.2015	03.04.2015
New taxation proposals/ Fee/Tariff etc.	--	27.02.2015	13.03.2015	--	--	--	--

SCHEDULE FOR DEVELOPMENT BUDGET							
ITEM	Due date in P&D/FD	Supply of Master Copy of ADP 2015-2016	Preparation of Budget by FD	Communication to Computer Wing (FMIU)	1 <sup>st</sup> Proof	2 <sup>nd</sup> Proof	Final Proof
Consolidated re-appropriation on a/c 1 <sup>st</sup> quarter Review in P&D	01.12.2014	--					
Consolidated re-appropriation on a/c 2 <sup>nd</sup> Quarter Review in P&D	01.01.2015	--					
Consolidated re-appropriation on a/c 3 <sup>rd</sup> quarter review in P&D	02.03.2015	--					
Reconciliation of R.Es with concerned departments	*10.03.2015	--					
Development Budget	--	18.03.2015	25.03.2015	27.03.2015	30.03.2015	01.04.2015	03.04.2015
Supplementary Budget	--	--	25.03.2015	27.03.2015	30.03.2015	01.04.2015	03.04.2015

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

**Note:** The Administrative Departments will continue their Development Budget i.e. ADP and its submission to P&D Department as per prevailing practice and time line. Development Budget Estimates are, however, to be properly incorporated in 'LD-2 Form' of 'Section-I' for preparation and finalization of Budget Books 2015-16.

## APPENDIX-C

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### PREPARATION OF SALARY BUDGET (BM-6) FOR THE FINANCIAL YEAR 2015-2016

1. HR-Database has been established in Finance Department as well as in the offices of District Officers Finance in all the 25 Districts.
2. Access to the database has also been made available to eleven (11) Administrative Departments (Establishment, Elementary & Secondary Education, Health, Environment, Police, Communication & Works, Irrigation, Revenue & Estate, Industries, Law and Agriculture Departments).
3. The Salary budget (BM-6) for the ensuing financial year 2015-2016 will be prepared by using the pre filled BM-6, generated from the HR-database. In this regard a tentative schedule is attached for the Offices located at Peshawar except the offices of District Education Office, District Health Office & Agriculture which should be performed of D.O office Peshawar (Schedule –I).
4. Another tentative schedule has been attached for all the offices located in Districts (Schedule –II)
5. The preprinted BM-6 contains the information about the employees and their automatically incremented salary budget for 2015-2016. Administrative Departments and Heads of Attached Departments may update the preprinted BM-6 by deleting the information of employees posted out and inserting the information of newly posted employees and correcting the other figures, if any. They may depute their staff dealing with budget to attend FMIU Finance Department & Data Processing Cells in the office of District Officer Finance for their respective BM-6 as per S.No 3 above for updating/preparation of Salary budget (BM-6) for 2015-2016 as per schedule.
6. Administrative Departments having HR-Computer Connectivity may prepare the salary budget for their respective offices, including Attached Departments and other Offices located at Peshawar, through their computer system provided by Finance Department, exclusively for HR- Database.
7. DO Finance in the O/o the Deputy Commissioner may issue a schedule on the above lines for the District level offices according to their respective volume of data, directing the District level Offices to depute their staff dealing with Budget to attend the Data Processing Cells (DPCs) for updating/preparation of Salary Budget/ BM-6 for 2015-2016.
8. In case of any difficulty in updating the data, the concerned staff may be deputed to attend FMIU Finance Department for the purpose.
9. In case of any help, please contact Assistant Director-II, FMIU Finance Department on Tel No. 091-9212673 and in Districts contact with Programmer/Assistant Programmers in the offices of District Officers Finance concerned.
10. In case of Primary and Middle Schools, the ADO (Circle Incharge) may collect/update the HR data from their respective schools.

NOTE. SALARY BUDGET (BM-6) WILL NOT BE ACCEPTED IF NOT PREPARED THROUGH THE HR DATABASE

# SCHEDULE - I

## SCHEDULE FOR PREPARATION OF BM-6 (2015-2016) THROUGH HR-DATABASE

### PROVINCIAL LEVEL

S#	Department	Date
1	Provincial Assembly	03-12-14
2	General Administration	05-12-14
3	Finance Department	10-12-14
4	Directorate of Treasury	12-12-14
5	Local Fund Audit	16-12-14
6	Planning & Development	18-12-14
7	Bureau of Statistics	22-12-14
8	Information Technology Department (Secretary/Directorate)	24-12-14
9	Revenue & Estate	26-12-14
10	Excise & Taxation (Secretary/Directorate)	30-12-14
11	Home Department (Secretary/Directorate)	02-01-15
12	Civil Defense	06-01-15
13	Jails & convicts Settlement	08-01-15
14	Fisheries	13-01-15
15	Industries (Secretary/Directorate)	16-01-15
16	Roads, Highways, & Bridges	20-01-15
17	Buildings	22-01-15
18	Public Health Engineering (Secretary/Directorate)	23-01-15
19	Local Government (Secretary/Directorate)	27-01-15
20	Livestock & Dairy Development (Directorate)	28-01-15
21	Co-Operation (Directorate)	30-01-15
22	Wildlife (Directorate)	03-02-15
23	Mineral Development	03-02-15
24	Stationary & Printing	05-02-15
25	Population Welfare (Secretary/Directorate)	08-02-15

<b>S#</b>	<b>Department</b>	<b>Date</b>
26	Technical Education& Man power (Directorate)	10-02-15
27	Labour	13-02-15
28	Information & Public Relations (Secretary/Directorate)	17-02-15
29	Social Welfare & Special Education (Secretary/Directorate)	19-02-15
30	Zakat & Ushr (Directorate)	20-02-15
31	Auqaf, Religious, Minority & Haj Affairs (Secretary/Directorate)	23-02-15
32	Sports, Culture, Tourism & Museums (Secretary/Directorate)	24-02-15
33	Elementary and Secondary Education (Secretary/Directorate)	25-02-15
34	Higher Education (Secretary/Directorate)	26-02-15
35	Miscellaneous	27-02-15

Note: BM-6 for the attached Departments located in Peshawar will be prepared in HR Wing Finance Department according to schedule-I while BM-6 for other offices located in Districts will be prepared in concerned DO Office Finance.

## SCHEDULE - II

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### SCHEDULE FOR PREPARATION OF BM-6 (2015-2016) THROUGH HR-DATABASE

#### DISTRICT LEVEL PROVINCIAL OFFICES

S.No	Department	Date
1	Deputy Commissioner Office	01-01-15
2	Treasuries	05-01-15
3	Excise Department	06-01-15
4	Home Department	07-01-15
5	Local Government	07-01-15
6	Fisheries	08-01-15
7	Livestock and Dairy Development	08-01-15
8	Cooperation	09-01-15
9	Environment, Forestry & Transport	09-01-15
10	Agriculture	12-01-15
11	Industries	12-01-15
12	Labour	13-01-15
13	Social welfare	14-01-15
14	Sports, Culture, Tourism	14-01-15
15	Public Health Engineering	15-01-15
16	Communication & Works	16-01-15
17	Health	19-01-15
18	Elementary and Secondary Education	20-01-15
19	Higher Education	21-01-15
20	Miscellaneous	21-01-15