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Principle Accounting Officer Issues & Challenges

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Preamble

The issues and challenges surrounding Principal Accounting Officers (PAOs) in Pakistan center on the authoritative financial autonomy, paradox of delegation, economic efficiency, and the absence of "skin in the game." The centralized role of PAOs, typically held by senior-most secretaries, hampers decision-making efficiency. Despite attempts at delegation, clauses in the Financial Management and Powers of Principal Accounting Officers Regulations 2021 create a paradox by reverting crucial information back to the Secretary, questioning the effectiveness of the delegated authority.



Economic efficiency concerns arise due to the lack of specialization in the multifaceted role of the Principal Accounting Officer. A specialized officer is proposed to navigate the complexities of Pakistan's financial landscape, fostering economic competitiveness. The absence of personal responsibility and accountability in the current PAO structure diminishes effective financial management, urging a reevaluation of the role to align decisions with institutional interests.

The concept of "skin in the game" is emphasized, highlighting the need for personal commitment and accountability in financial decisions. The current centralized PAO structure leads to delays and opportunity costs, hindering swift resolutions and jeopardizing ministry effectiveness. A balanced and efficient delegation structure is advocated for addressing these challenges and ensuring proficient financial management.

Principal Accounting Officer

Principal Accounting Officer means the primary officer or the authorized agent of the Company responsible for the preparation and certification of financial statements. However, this definition of for private sector and in state structure, Principal Accounting Officer is head of financial management, responsible for all financial matters relating to all offices under his

administrative control and he shall be custodian and operator of the financial resources. Apart from Defence Services, all Federal & Provincial Government ministries, divisions, attached departments and subordinate offices. Most of the time, as per practice, the Federal or Provincial Secretary of the concerned Ministry or the department is the Principal Accounting Officer. If someone else is going to take on this role, the secretary in charge needs to give clear reasons and explanations about the administrative and procedural aspects of the decision.

The Principal Accounting Officer is responsible for financial propriety including compliance with laws and ensuring value for money. Moreover, the Principal Accounting officer shall also be responsible for effective, efficient, economical, and transparent use of funds, budget, assets and human resources available.

Financial Management and Powers of Principal Accounting Officers Regulations 2021 defines Principal Accounting Officer in clause 3 as:

The principal accounting officer shall be responsible for all financial matters relating to all offices under his administrative control and he shall be custodian and operator of the financial resources.

The secretary of the ministry/division is a principal accounting officer by default. But clause 5 of PAO regulations 2021 allows prime minister to designate the PAO to any departmental head.

While oversight and control are essential in financial management, the current practice of requiring PAO or Secretary approval for every departmental expense introduces unnecessary delays and impedes the efficient response to public needs. A reevaluation of this process to strike a balance between financial control and operational agility is warranted to ensure a more effective and responsive public service mechanism.

The Prime Minister shall have the authority to designate any officer as principal accounting officer, on the recommendation of the administrative Secretary of the Division concerned and Finance Division. While recommending an officer as principal accounting officer, the Secretary of the Division concerned shall provide administrative, procedural, and other justifications and cogent reasons thereof. The Finance Division shall process the case and shall notify it in the official Gazette with the prior approval of the Prime Minister.

In practice, the power of PAO is centralized, and secretaries of ministries/divisions practice these financial power and autonomy. **There are approximately Sixty-Seven PAOs in Federal Secretariat, Attached/ Subordinate Offices, Civil Armed Forces and Constitutional Bodies of federal government of Pakistan** (Annexure – A). Surprisingly, sixty-seven Principal Accounting Officers (PAOs) were tasked with overseeing an enormous budget of **10 trillion PKR**. This enormous amount, representative of the country's financial scale, raises questions

regarding the concentration of control in the hands of a relatively small group of people, particularly since many of these PAOs are not naturally experts in the complex fields of finance and economics. This situation highlights the possible dangers of giving someone with a vast financial portfolio who may be primarily knowledgeable in administrative or policy matters. The magnitude of the budget, combined with the diversity and complexity of financial functions, underscores the pressing need for a nuanced approach to financial governance—one that ensures not only the effective utilization of funds but also the application of specialized financial knowledge in safeguarding the economic well-being of the nation.

Total Number of PAOs	Approved budget handled by PAOs
67 Approximately	10 trillion PKR

Source: Financial Allocation Budgeting System – year 2021

Under the existing system, the discretion afforded to the Secretary in delegating PAO responsibilities may lead to inconsistencies in decision-making. To address this, making the delegation of such responsibility's mandatory becomes crucial. This implies that qualified and competent individuals, possessing the requisite skills and expertise, should be assigned PAO duties as a standard practice, ensuring a standardized and proficient approach to financial management.

The Principal Accounting Officer (PAO) plays a crucial role in the proper management of public finances, even under Pakistan's complex administrative system. Essential to the framework of financial governance, the PAO is a pivotal role held responsible for the careful monitoring of monies allotted for different government activities. When it comes to Pakistan, the PAO usually takes on the role of the ministry's secretary, carrying the heavy burden of ensuring the country's financial integrity in addition to creating policy. The PAO's function as the guardian of public finances is essential to guaranteeing accountability, openness, and prudent resource use in the interest of national progress. But when these responsibilities are combined more often, concerns surface about how practical and effective it is for a senior government official to also be responsible for financial management. This investigation explores the complex role of the Principal Accounting Officer in Pakistan, examining its benefits and drawbacks in relation to the larger picture of efficient public financial administration.

The role of the PAO is typically held by the Secretary of the Ministry or the Director General of the institute. In this capacity, they handle fund disbursement, approvals, and serve as a watchdog for the same activities. This arrangement adds complexity and may seem absurd. However, in rare instances where a junior officer within the same office assumes the PAO role, they do not function as the head or boss of the institute or ministry.

Encompassing a formidable array of responsibilities, the Principal Accounting Officer (PAO) in Pakistan is mandated to execute no fewer than 21 distinct functions, as delineated by the Financial Management and Powers of Principal Accounting Officers Regulations 2021 clause 7.

The Principal Accounting Officer is responsible for financial propriety including compliance with laws and ensuring value for money. Moreover, the Principal Accounting officer shall also be responsible for effective, efficient, economical, and transparent use of funds, budget, assets, and human resources available. Apart from these major responsibilities, Principal Accounting Officer has 21 key duties & tasks as per Finance Division. If the Secretary of the Ministry is holding this position, then it raises a big question how concerned the officer is giving adequate time and attention along with other official responsibilities.

21 distinct responsibilities of PAO as per clause 7		
Financial Propriety, compliance of rules & laws	Effective, Efficient, economical, and transparent use of funds, budget, assets and human resources	assistance of chief finance and accounts officer
To formulate plans, programs and projects and deliver public services carefully	Seeking prior approval from Finance Division	preparing budgetary proposals
Budget Allocation for Federally Funded Projects Executed by Provinces	To ensure the availability of budgetary allocations	accounting of foreign exchange
Revenue Collection	Budget executions as per performance agreement	Sanction expenditure
Formulating and monitoring plans	Seeking assistance from the chief internal auditor	safe custody of assets
Monitoring & reconciliation of budget	To see that grant-in aid	Control over contingent liabilities
Proper record of all assets & liabilities	providing statement of revenues and expenditures	attending the meetings of the Public Accounts Committee

Table 1.1 – Responsibilities of Principal Accounting Officer
These 21 distinct Responsibilities of PAO can also be categorized into four major Functions of Management.

Planning	Organizing	Leading	Controlling
Formulating plans, programs, and projects for the effective delivery of public services.	Seeking assistance from the Chief Finance and Accounts Officer.	Attending meetings of the Public Accounts Committee	Ensuring financial propriety and compliance with rules and laws.
Preparing budgetary proposals.	Accounting for foreign exchange.	Sanctioning expenditure.	Ensuring the effective, efficient, economical, and transparent use of funds, budget, assets, and human resources.
Budget allocation for Federally Funded	Revenue collection.		Monitoring and ensuring compliance with grant-in-aid.

Projects Executed by Provinces.			
Seeking prior approval from Finance Division for financial initiatives.	Formulating and monitoring plans.		Proper record-keeping of all assets and liabilities.
Budget executions as per performance agreement.	Seeking assistance from the Chief Internal Auditor.		Control over contingent liabilities
	Safe custody of assets.		Monitoring and reconciliation of the budget.

This reflects the complexity of the tasks that one person must oversee or conduct at his office. But again, this isn't a dedicated position, rather a secretary most of the time occupies this role and such key functions are compromised and are not implemented in letter and spirit.

Issues and Challenges of PAOs

Following is the key criticism on the position of Principal Accounting Officer specifically held by Federal Secretary:

Authoritative Financial Autonomy

In Pakistan, the position of Principal Accounting Officer is centralized and is often held by the senior-most secretary. This has unintentionally resulted in a lack of speed and efficiency in the government's decision-making procedures. While this phenomenon would have sufficed in a different period, it is becoming more and more out of step with the needs of the fast-paced, modern world.

However, Financial Management & Powers of Principal Accounting Officer Regulation 2021 allows delegation this power to other officers under clause 13:

Principal accounting officer and head of department or office shall delegate appropriate financial powers to sub-ordinate officers and officials under their administrative control.

Yet, there is a paradox in clause 7 (2) of the same Financial Management and Powers of Principal Accounting Officers Regulations 2021 that states.

An officer designated as the principal accounting officer, other than the Secretary of a Division, shall submit monthly, quarterly, and annual report about exercise of financial powers to the Secretary of the administrative Division, through the chief finance and accounts officer.

Which again brings all the load back to the office of the secretary, a partial delegation or delegation without spirit that again chokes the office of the Secretary with same information which has already been delegated.

Paradox of Delegation in Financial Management and Powers of Principal Accounting Officers Regulations 2021	
Clause 13	Clause 7 (2)
<i>Principal accounting officer and head of department or office shall delegate appropriate financial powers to subordinate officers and officials under their administrative control. The officers responsible for provision of public services or undertaking public infrastructure investments are to be provided appropriate financial powers, while adhering to the principles of financial propriety</i>	<i>An officer designated as the principal accounting officer, other than the Secretary of a Division, shall submit monthly, quarterly and annual report about exercise of financial powers to the Secretary of the administrative Division, through the chief finance and accounts officer.</i>

Economic Efficiency

Financial decisions in today's world are closely linked to a country's economic competitiveness and strategic progress, and they go beyond simple budgetary balance and record-keeping. This is especially true for a country the size and diversity of Pakistan, where the financial landscape is made up of many different industries, each with its own special complexities.

The current paradigm undervalues the degree of specialty needed in this critical job, as the Principal Accounting Officer is frequently a senior-most secretary charged with several duties. With duties covering twenty-one distinct financial functions, it is almost hard for one person to keep up the required standard of proficiency everywhere.

We address the urgent need for specialization by arguing for the establishment of a specialized role of Principal Accounting Officer, to be filled by a person with the knowledge and dedication necessary to guarantee effective financial management. An officer with such commitment and experience would be able to handle the intricate financial issues Pakistan is facing today.

Skin in the Game:

The idea of having "skin in the game" is crucial for accountability and decision-making. It indicates to the notion that people are more inclined to act honorably and make wise decisions if they have a direct stake in the results of such decisions. They act in the institution's or organization's best interests because they have a personal stake in the results of their decisions.

The absence of "skin in the game" is a major issue when it comes to the Principal Accounting Officer phenomena in Pakistan. Senior-most secretaries typically have many other jobs in addition to this one, and they are not personally responsible for the financial decisions they make. Decisions that put short-term administrative or political objectives ahead of the long-term financial stability and effectiveness of government operations may be made because of

this lack of clear consequences. It lacks the personal commitment and accountability necessary to guarantee competent financial management and decision-making, the Principal Accounting Officer position in its current centralized form might be seen as a curse.

Delays & Opportunity Cost:

The office of a ministry secretary, already burdened with an array of responsibilities and an incessant schedule of meetings, grapples with the inherent challenge of allocating time judiciously. The handling of financial affairs within this milieu becomes particularly emblematic of the time-resource dilemma. As financial matters demand meticulous attention, the perpetual juggling act between administrative tasks, policy formulation, and financial oversight poses a risk of substantial time wastage. This inefficiency not only impedes the swift resolution of financial issues but also incurs a significant opportunity cost. The delayed decision-making process can result in missed opportunities, suboptimal resource allocation, and an overall compromise of the ministry's effectiveness.

Principal Accounting Officer

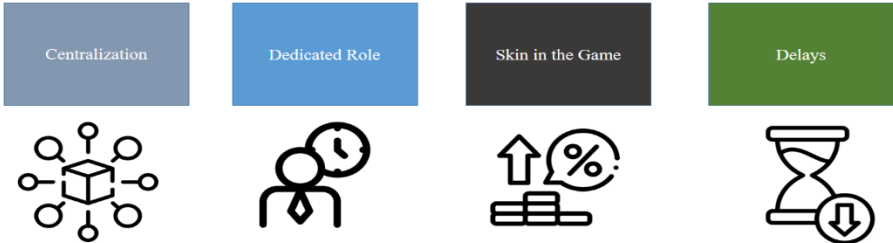


Fig 1.1 – Key Criticism on the Position of PAO

During this research, two interviews were conducted with federal government employees to enhance the depth of our study. The interviewees, serving as Principal Accounting Officer (PAO) and Deputy Secretary of PAO, shared their valuable experiences, shedding light on the complexities of their roles. These firsthand insights provide a crucial perspective, adding depth and clarity to our understanding of the challenges and successes associated with their positions within the federal government.

Mentioned below is the profile of the respondents interviewed for the current study.

Respondent #	Gender	Designation	Years of Service
Respondent 1	M	PAO/Secretary	27
Respondent 1	F	Deputy Secretary/Responds to PAO or the secretary of the Ministry	16

Following themes were identified after the interviews:

Overwhelmed Occupancy

Successfully managing the workings of financial governance within the government's structure requires a careful balance, with the Principal Accounting Officer (PAO) playing a crucial role. This pivotal role encompasses not only the traditional responsibilities of a secretary but also the crucial duty of ensuring the financial soundness of governmental operations. This exploration focuses on the issues encountered by the PAO in effectively handling diverse financial responsibilities and larger administrative activities.

Multifaceted Responsibilities:

"Managing financial responsibilities alongside broader administrative duties is indeed a formidable challenge. The array of tasks, including fund disbursement, approvals, and overseeing financial propriety, demands a substantial amount of time and attention, leading to a sense of overwhelm."

This underscores the fact that the PAO, as the secretary of the ministry, is intricately involved in the multifaceted character of the position, highlighting the significant difficulty presented by the wide range of tasks. The requirement to negotiate the processes of fund disbursement, permissions, and financial propriety necessitates a substantial commitment of time and focus, leading to sense of being too much occupied.

Centralization Dilemma:

"Centralizing financial authority within the secretary's office is a significant challenge. The secretary's desk, already occupied with administrative activities, becomes a hub where financial decisions, fund disbursement, and approvals are made, slowing down decision-making processes."

PAO's statement emphasizes the difficulty presented by the concentration of responsibility, where financial choices are consolidated within the secretary's office. The administrative hub, which is already busy with multiple responsibilities, becomes a bottleneck, resulting in delays in financial decision-making processes.

Dilution of Focus:

"The merging of roles as both policy architect and financial overseer dilutes my focus. In this centralized system, the lack of distinct roles results in a diluted sense of efficacy. I am pulled in multiple directions, trying to balance the demands of financial management with broader administrative functions."

This highlights the difficulty of juggling various responsibilities, where the blending of policy and financial duties diminishes their individual emphasis. The absence of distinct boundaries

leads to a weakened sense of responsibility, necessitating a careful equilibrium between fiscal oversight and wider administrative duties.

Interview with Delegatory Officer performing tasks for Principal Accounting Officer

The multifaceted and intricate responsibilities of the Principal Accounting Officer (PAO) are a daunting undertaking. The intricate interplay between financial oversight and broader administrative obligations places the PAO in a predicament, grappling with overwhelming expectations. The dilemma of centralization and the resulting decline in focus worsens these challenges. The Principal Accounting Officer (PAO), tasked with formulating policies and supervising financial affairs, faces the demanding responsibility of striking a delicate equilibrium among numerous obligations. The primary concern of overcrowded occupation is the difficulty in handling a substantial amount of demand, emphasizing the urgent need to restructure the administrative framework for more efficient execution of obligations.

Diluted Vision and Quality

The task of effectively overseeing the many responsibilities of a Principal Accounting Officer (PAO) becomes even more difficult when the delicate equilibrium between financial supervision and administrative obligations results in a weakening of the overall vision and quality. This topic, extracted from a qualitative interview with a crucial individual responsible for important tasks in the same administrative field, explores the difficulties related to preserving the Principal Accounting Officer (PAO) overall plan and guaranteeing excellent results despite having numerous overwhelming duties.

Delegation Dynamics:

"While I diligently carry out tasks assigned by the PAO, there's a noticeable gap in overall vision and quality. The sheer volume of responsibilities often leads to delegation, introducing a crucial challenge – the dilution of the PAO's vision and quality in the final output."

The officer's statements illuminate the consequences of delegation, highlighting that even with careful execution of assigned duties, there is a noticeable deficiency in the overall vision and quality. The PAO is compelled to delegate due to the immense magnitude of tasks, which presents a significant obstacle that weakens the PAO's initial vision and undermines the overall quality of the result.

Lack of Clarity in Rules:

"The Rules of Business and Secretariat Instructions lack clarity on the role of the PAO and the delegation of financial power. This ambiguity contributes to a disjointed execution of financial responsibilities, affecting the overall quality of financial governance."

This highlights the lack of clarity in regulations on the role of the PAO and the allocation of financial authority. The absence of clear guidelines in the Rules of Business as PAO and

Secretariat Instructions leads to a fragmented implementation of financial duties, which directly affects the overall effectiveness of financial management.

The PAO's job is characterized by the concept of "Overwhelmed Occupancy," highlighting the significant obstacles they encounter. "Diluted Vision and Quality" underscores the challenge of preserving a strategic vision while facing an abundance of duties. Collectively, these themes highlight the necessity of reassessing the administrative structure to guarantee efficient financial management and administrative effectiveness.

Proposed Solution:

Following solutions are proposed to pace up the financial decision making in state institutes/organizations in Pakistan while keeping the spirit alive of the clause 7 (1D) *"to formulate plans, programs and projects and deliver public service carefully and efficiently, as ultimate planner in respect of his areas of activity."*

Issue	Problem	Solution
Centralization	A ministry secretary's office is a hive of administrative activity, always occupied with the minutiae of formulating policies, making decisions, and attending endless meetings. Adding financial tasks to the secretary's desk in the middle of all of this chaos of duties is a significant challenge.	Decentralization offers a workable answer to the dilemma of excessive responsibility in the secretary's office. Ministries can better distribute the workload by assigning specialized personnel to financial jobs or delegating financial tasks to specialized groups.
Delays	Decision-making is slowed down by the centralization of financial authority in the secretary's office, especially because of the time limits imposed by the wide range of duties included in the position.	Decentralization emerges as a compelling solution to address the challenges associated with the current centralization of financial tasks, offering a more efficient and specialized approach to managing public finances.
Skin in the Game	In a centralized system where the secretary is both the policy architect and the financial overseer, the lack of distinct roles can result in a diluted sense of accountability.	Creating a system of checks and balances by dividing duties and responsibilities is the way to solve the problem. A more transparent and responsible organization can be developed by severing the policy-making role from financial control.
Rules of Business & Secretariate Instructions	The Rules of Business 1973 and Secretariate Instructions do not provide the clarity on roll of PAO and the delegation of financial power as PAO to	Amendments in ROB and SI for financial autonomy of attached departmental heads. The delegation of power is not by choice, it should be mandatory. The secretaries of ministries must delegate

	Attached departments and autonomous bodies.	their POA autonomy to department heads for smooth, quick and efficient economic decision by law.
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Conclusion:

Decentralization emerges as a pragmatic solution to grapple with the challenges posed by the overwhelming burden of responsibilities often shouldered by the secretary's office. By dispersing authority and functions, ministries can effectively alleviate the strain on the central administrative hub and streamline operations for enhanced efficiency. This approach involves a strategic redistribution of tasks, aiming to optimize the allocation of responsibilities and improve overall organizational effectiveness.

In the context of financial management, decentralization facilitates a more judicious and targeted approach. Ministries can adopt a model wherein specialized personnel are assigned to financial roles, aligning expertise with the specific demands of financial tasks. This tailored assignment of responsibilities ensures that individuals with the requisite knowledge and skills handle financial matters, fostering a more adept and proficient execution of financial functions.

Furthermore, decentralization extends beyond individual assignments to encompass the delegation of financial tasks to specialized groups within ministries. By creating dedicated units or teams with expertise in distinct financial domains, ministries can establish efficient mechanisms for handling diverse financial responsibilities. This not only enhances the precision and efficacy of financial operations but also enables a more strategic approach to complex financial challenges.

The advantages of decentralization in financial management extend beyond the immediate alleviation of the secretary's office burden. It promotes a quicker and more responsive organizational structure, allowing for quicker decision-making and adaptation to evolving financial landscapes. Additionally, decentralization can foster a culture of accountability and ownership among specialized teams, as they become more directly responsible for the outcomes of their financial endeavors.

In essence, decentralization offers a pathway to not only address the issue of excessive responsibility in the secretary's office but also to enhance the overall effectiveness and agility of ministries in managing their financial functions. It represents a deliberate and strategic reorganization that aligns personnel expertise with specific financial tasks, ultimately contributing to a more resilient and efficient administrative framework.

Overall, the rationale for having a Principal Accounting Officer in Pakistan is to ensure responsible financial management, compliance with regulations, and transparency in the use of public funds. This role plays a crucial part in maintaining the country's financial integrity and upholding public trust in the government's financial operations.

However, it is imperative that a position such as Principal Accounting Officer be filled by an individual who possesses specialized knowledge in the fields of Economics, Finance, and Corporate Governance. This is essential to ensure effective strategic planning and efficient

allocation of funds, ultimately leading to the successful attainment of national objectives. It is imperative to acknowledge that the additional financial and nonfinancial perks and privileges associated with the role of a PAO impose an extra burden on the federal government's expenditures.

Annexure – A

List of PAOs of Federal Government

District Judiciary, Islamabad Capital Territory
Auditor General of Pakistan
Aviation Division
Benazir Income Support Programme (BISP)
Board of Investment
CPEC Authority
Civil Service Academy
Controller General of Accounts
DG Federal Judicial Academy
Executive Director HEC
Federal Ombudsman for Protection Against Harassment of Women at Work Place
Federal Public Service Commission
Federal Shariat Court
Federal Tax Ombudsman
Islamabad High Court
MD Pakistan Bait-ul-Maal
National Assembly
National Disaster Management Authority
National Accountability Bureau
National School of Public Policy
National Security Division
National Vocational & Technical Training Commission (NAVTTTC)
Parliament Affairs Division
Prime Minister's Inspection Commission
Prime Minister's Office (Internal)
Prime Minister's Office (Public)
Privatization Division
Secretary Aviation Division
Secretary Climate Change Division
Secretary Commerce division
Secretary Commerce division
Secretary Communications Division

Secretary Defence Division
Secretary Economic Affairs Division
Secretary Election Commission of Pakistan
Secretary Federal Education and Professional Training
Secretary Finance Division
Secretary Foreign Affairs Division
Secretary Housing and Works Division
Secretary Human Rights
Secretary Industries and Production Division
Secretary Information and Broadcasting Division
Secretary Information Technology and Telecommunication Division
Secretary Interior Division
Secretary Inter-Provincial Coordination Division
Secretary Kashmir Affairs and Gilgit Baltistan Division
Secretary Law and Justice Division
Secretary Maritime Affairs Division
Secretary Narcotics Control Division
Secretary National Food Security and Research Division
Secretary National Health Services, Regulations and Coordination Division
Secretary National Heritage and Culture Division
Secretary Overseas Pakistanis and Human Resource Development Division
Secretary Petroleum Division
Secretary Planning, Development and Special Initiatives Division
Secretary Poverty Alleviation and Social Safety Division
Secretary Power Division
Secretary Railways Division
Secretary Religious Affairs and Interfaith Harmony Division
Secretary Revenue Division/ Chairman FBR
Secretary Science and Technology Division
Secretary Senate
Secretary States and Frontier Regions Division
Staff Household and Allowances of the President (Personal)
Supreme Court of Pakistan
Wafaqi Mohtasib
Water Resource Division

The principal accounting officer shall be responsible:

- (a) to adhere to and enforce the principles of financial propriety, including the compliance of laws, rules, regulations, maintaining high standard of prudence, vigilance, due diligence and ensuring value for money while incurring expenditure and collecting government receipts;
- (b) for use of resources and shall ensure the effective, efficient, economical and transparent use of funds, budget, assets and human resources available to him, in accordance with relevant policies, rules and regulations, for achieving the stated objectives of his Ministry, Division, Department or offices, program, project and services;
- (c) for assistance of chief finance and accounts officer in financial matters related to specific bodies or authorities, policies, rules, regulations, procedures and manuals;
- (d) to formulate plans, programs and projects and deliver public service carefully and efficiently, as ultimate planner in respect of his areas of activity;
- (e) for seeking prior approval from Finance Division or any other relevant Division, organization, authority, office on the matters related to non-delegated financial authority;
- (f) for preparing budgetary proposals within the indicative budget ceilings agreed by the Finance Division. All expenditure proposals 386 THE GAZETTE OF PAKISTAN, EXTRA., MARCH 8, 2021 [PART II shall be based on well-defined plans. Budget allocation to various heads of expenditures, to the offices under his control may be made as per government plans and priorities and in such a way that during the currency of year, requirements for additional budget or re-appropriation are minimized if not eliminated altogether;
- (g) for firming proposal, current or development budget to be allocated or kept in the budget of executing or utilizing agency. In case a project, program or service is financed by Federal Government but executed by provincial governments, the budget shall be kept in the demand of most relevant Division, department or office;
- (h) to ensure the availability of budgetary allocations in various heads of accounts especially under the employee related expenditure in order to ensure timely payment of employee emoluments;
- (i) for proper inclusion and accounting of foreign exchange transactions including loans, grants, foreign procurements, technical assistance, debt, interest, contribution and any other relating to his Ministry or Division or department, in line with the instructions issued by Finance Division;
- (j) for budgeted revenue collection particularly non-tax revenue pertaining to concerned Ministry or Division or department to be realised on timely basis;
- (k) for budget executions as per plans, policy priorities of the government, rules and performance agreement. This includes the realization of economic forecasts and projections as

well as achievement of goals and targets committed with reference to objective based budgeting;

(l) to sanction expenditure as per the delegated financial powers. Such sanctioning of expenditure shall not exceed the allocated budget. Prior to approving of expenditure sanction, principal accounting officer shall ensure that the required budget is available in the relevant head of account. Sanctioning of expenditure shall be based on the purpose for which the funds are allocated;

(m) for formulating and monitoring the plans, outcomes and outputs and key performance indicators and targets, in accordance with the provisions of the Act;

(n) for seeking assistance from the chief internal auditor posted with the Secretary of the Ministry or Division (principal accounting officer), for application of internal control procedures in the PART II] THE GAZETTE OF PAKISTAN, EXTRA., MARCH 8, 2021 387 Division, department, subordinate offices and public entities as per the guidelines provided by the Finance Division;

(o) for safe custody of assets including maintenance of assets and inventory registers. Principal accounting officer shall ensure that the maximum possible returns are achieved on each and every asset falling under the oversight of the Ministry or Division, department, sub-ordinate office;

(p) for monitoring the budget execution progress, and undertake reconciliation with accounting offices on monthly basis, related to revenues and expenditure of the division, department, sub-ordinate office or demand for grant under his control, through chief finance and accounts officer and furnish reconciled statement of revenue and expenditure, separately to Finance Division on quarterly basis, through chief finance and accounts officer;

(q) to see that grant-in aid shall not be a recurring budget feature and it shall be approved only after detailed review of revenues, expenditures, assets, liabilities, plans, needs and justifications, in accordance with section 6 of the Act;

(r) for control over contingent liabilities of the public entities under his administrative control, so that government funds are purposely utilized. The payment of salaries and pension to the employees of the public entities shall be met from the resources of public entities and it shall not be un-necessarily shifted to the government exchequer;

(s) for proper record of all assets, liabilities, commitments, revenues and expenditures to be maintained under the relevant rules, regulations, procedures and approved formats;

(t) for providing statement of revenues and expenditures related to public entities (other than offices indicated in sub regulation

(p) above) under his control on half yearly basis to Finance Division through chief finance and accounts officer; and

(u) for attending the meetings of the Public Accounts Committee and hold the meetings of Departmental Accounts Committee on regular basis.