



# **FUNCTIONS, ROLES AND RESPONSIBILITIES**

# **OF**

# **ZILLA ACCOUNTS COMMITTEES**

**Districts That Work Project**

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## **SECTION-1 LOCAL GOVERNMENT SYSTEM**

The provincial governments promulgated the Local Government Ordinance, 2001 (LGO 2001) in their respective provinces to install a new integrated Local Government System with effect from 14th August 2001 to function within the provincial framework and adhere to the Federal and Provincial laws. The essence of this system is that the local governments are accountable to citizens for all their decisions. It enables the proactive elements of society to participate in community work and development related activities.

The new system is designed to devolve political, administrative and financial powers to the local governments. It provides a three-tier local government structure in which there is only one line of authority in the district and the district administrative machinery is responsible to the elected representatives. More operational autonomy is ensured to the district level offices.

At the top tier, the District, there is a single integrated local government called District Government. District Government consists of Zilla Nazim and District Administration. The District Administration comprises district offices including sub-offices at Tehsil level. The Provincial Government departments decentralized to the District Government are responsible to the Zilla Nazim. The other two tiers are the Tehsil at the middle level and the Union Administration at the lower level.

In order to devolve financial powers to the local government level, the Local Government System envisages formula-based fiscal transfers to the districts through Provincial Finance Awards. In addition, local governments are allowed to levy local taxes/ fees from a specified list. However, local governments are not allowed to incur any debt to finance their expenditures.

### **1.1 District Government**

The District Government consists of Zilla Nazim and District Administration. Zilla Nazim heads the District Government and performs such functions and exercises such powers as have been assigned to him under the LGO 2001. He is assisted by the District Coordination Officer. The Zilla Nazim has to ensure that the business of the District Government is carried out in accordance with the provisions of the LGO 2001 and other laws for the time being in force.

The District Administration comprises the District offices, including sub-offices of the Provincial Departments of the Provincial Government decentralized to the District Government and other offices set up by the Provincial Government and grouped under the Executive District Officers and coordinated by the District Coordination Officer.

The District Government is competent to acquire, hold or transfer any property, movable and immovable, to enter into contract and to sue or be sued in its name, through District Coordination Officer.

The authority of the District Government comprises the operation, management and control of offices of the departments which are decentralized to it or may be set up under the LGO 2001.

The District Government exercises authority within the district in accordance with the general policy of the Provincial Government.

## **1.2 Zilla Council**

A Zilla Council consists of all Union Nazims in the district and following members elected on the reserved seats namely:-

- i. such number of women so as to represent thirty-three percent of the total number of the Unions in the district;
- ii. such number of peasants and workers so as to represent five percent of the total number of the Unions in the district, subject to a minimum of one seat; and
- iii. such number of persons from minority communities so as to represent five percent of the total number of Unions in the district, subject to a minimum of one seat.

The Zilla Council has its Secretariat under the Naib Zilla Nazim and has a separate budget allocation.

## **1.3 Functions and Powers of Zilla Council**

Under Section-40 of the LGO 2001, the functions and powers of a Zilla Council include, inter alia, to:-

- approve bye-laws proposed by the District Government under the LGO 2001;
- approve taxes proposed by the District Government on the subjects specified in Part-I of the Second Schedule of the LGO 2001;
- approve long term and short term development plans, annual and supplementary budgetary proposals of the District Government and, where required, intra-district fiscal transfers;
- approve annual budget of the Zilla Council;
- ensure the Monitoring Committees of the Zilla Council perform their functions in a non-intrusive manner without interfering in the day to day working of the relevant offices of the District Government and do not assume a command and control role;
- **elect a Zilla Accounts Committee;**
- approve the proposals of the District Government for changes in the number of posts of officials and employees of the decentralized offices of District Administration as part of the budget statement;
- approve posts for the office staff of Zilla Nazim and staff of Zilla Council but no post of advisor, special assistant, press or political secretary to the Zilla Nazim shall be sanctioned or approved;
- review the performance reports of the District Government presented by Zilla Nazim;
- **review the audit reports of the Zilla Accounts committee;**

## **SECTION-2 FINANCIAL MANAGEMENT SYSTEM AT THE DISTRICT LEVEL**

The District Government's Financial Management Cycle consists of the following major activities.

1. Budget Preparation and Approval
2. Budget Implementation
3. Accounting and Financial Reporting
4. Auditing
5. Accountability Review

The next three sections discuss the three key areas of the system of public financial management at the District Government level, i.e. Budgeting, Accounting and Auditing.

### **2.1 Budgeting**

The budget is a statement of receipts and expenditures during a financial year of the District Government and thus reflects the District Government's policies, priorities, financial strategy and operational plans in financial terms. The annual budget for District Government contains estimates of:-

- (a) Grants-in-aid from the Government
- (b) Amounts available in the respective Fund;
- (c) Receipts for the next year; and
- (d) Expenditures to be incurred for the next year.

The budget of the District Government is made on an annual basis for the fiscal year starting from 1 July of a year to 30 June of the next year. Budget Estimates are submitted to the Zilla Nazim by the EDO (F&P) through the DCO. These estimates are then made into a draft budget. The budget contains the following information.

#### **Receipts/ Income**

**Receipts from Own Sources:** The receipts of the district government from taxes, duties, fee and service charges levied by them are grouped as Receipts from own sources.

**Receipts from Provincial Government:** The annual total of these receipts is called the District Allocable Amount. The receipts may be of two types: allocation made on the basis of Provincial Finance Commission's Award and the allocations made by the Provincial Government outside the PFC Award for specific purposes.

## Payments/ Expenditure

Expenditure is broken down Grant-wise. A grant represents the amounts set aside by the District Government for providing a particular service over the fiscal year, and the non-utilized amount lapses at the end of the financial year i.e. all the funds lapse on the 30<sup>th</sup> June of respective financial year. However there are some non-lapsable accounts like CCB funds. Expenditures are of two types:

1. Current expenditure is expenditure necessary for maintaining the current capacity of a service being provided by the District Government. For example expenditure to be incurred on salaries of the teachers working in primary schools being administered by the Education Department, is regarded as current expenditure.
2. Development expenditure, on the other hand, is an expenditure made to enhance the delivery capacity of a service. For example, the expenditure incurred for the construction of a new school building is classified as development expenditure.

The Annual Development Program is a compilation of the development projects including Citizen's Community Board projects, approved by the Council as part of the budget. Annual Development Program is submitted as part of the budget documents and classifies projects by sector, function and geographic location. The Annual Development Program indicates 'new' development projects and 'ongoing' development projects separately.

The Grants are classified on the basis of charged or voted expenditure. A Charged expenditure is an expenditure which is charged to the District Government. The budget of Zilla Accounts Committee shall be a charged expenditure. It is an obligation of the District Government which cannot be set aside by a vote of the Zilla Council. The voted expenditure is the expenditure which is approved by the Council.

## Budget Approval

The process for budget approval is as follows:

1. The Nazim presents the annual budget to the Zilla Council, where it is debated and approved.
2. Following approval by the Zilla Council of the Annual Budget Statement in respect of the next financial year, a Schedule of Authorized Expenditure is prepared and authenticated by the Zilla Nazim. The **Schedule of Authorized Expenditure** provides the legal basis to the District Government to incur expenditure against a grant during the year.
3. A copy of the authenticated Schedule of Authorized Expenditure is forwarded to the Accounts Office by the Finance and Budget Officer. The Finance and Budget Officer also intimates to each Head of Offices the details of the sum authorized in the Schedule of Authorized Expenditure for his office for that financial year. Each EDO is responsible to manage one or more grants within the budget and the overall coordination of the management of all grants across all departments is done by EDO (F&P).

## **Budget Implementation**

Budget implementation and management is a concurrent exercise, which is conducted on a day to day basis throughout the year. The receipts are collected by the executive departments, which have been so authorized by the District Government. The receipts from the Provincial Government are monitored by the EDO (F&P). Each EDO, for his group of offices, has under him a number of Drawings and Disbursing Officers (DDOs), who incur the expenditure. The DDO's basic job is to prepare bills, counter sign cheques and to manage specified portions of grants, placed at his disposal. They are also responsible for keeping accounts of the receipts and expenditure, within their areas of jurisdiction.

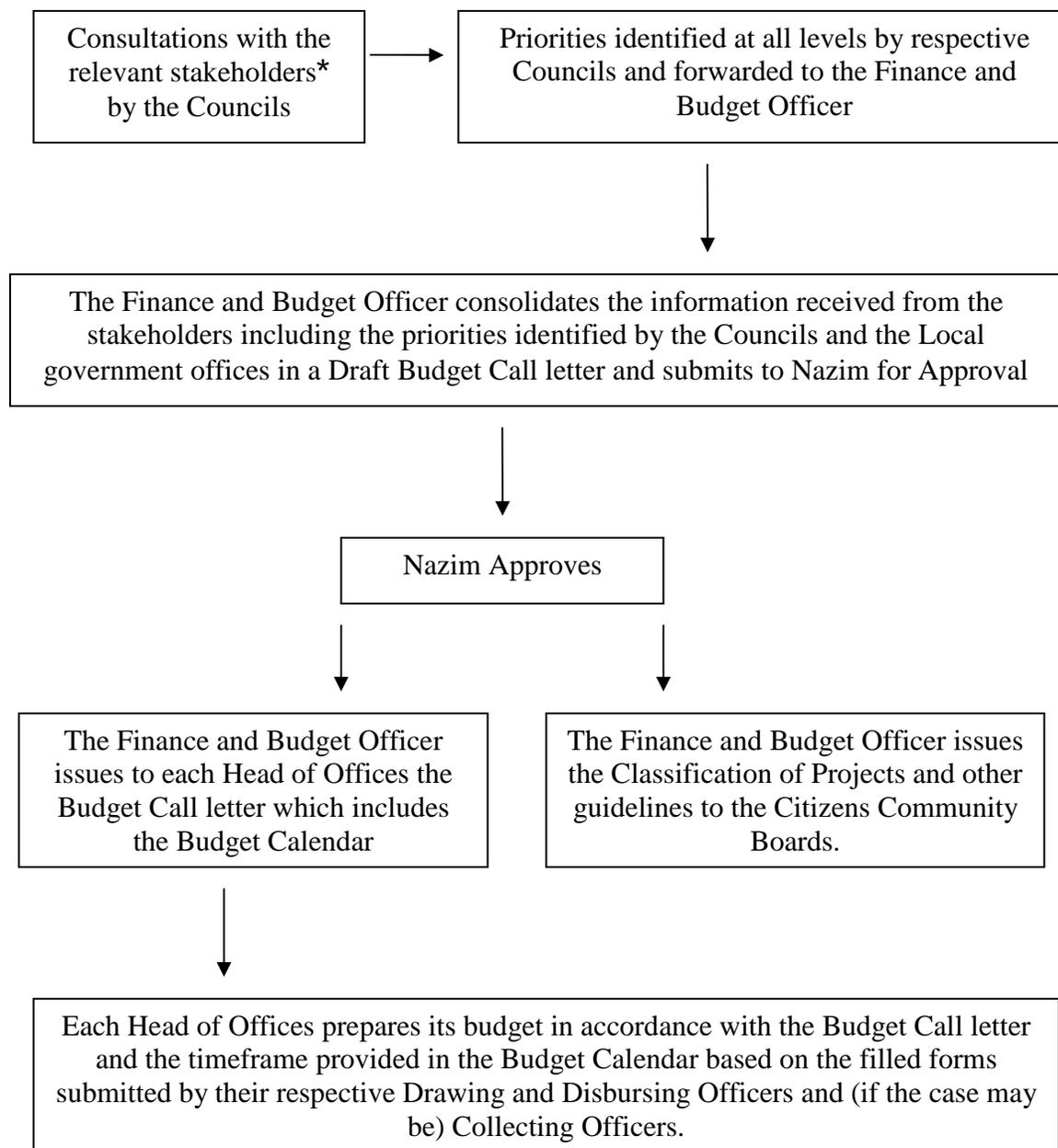
## **Re-appropriation of Funds**

Re-appropriation means the transfer of savings in the provision of expenditure made for a particular unit of appropriation to meet the excess expenditure anticipated by another unit. If it is observed that allocated funds for a purpose are inadequate to meet the expenditure and can be met from savings under other allocations, funds can be transferred from one head to another with the prior approval of the designated authority.

## **Supplementary Provision of Funds**

If the funds given for a specific service or project are insufficient and additional funds are required to deliver time-critical services, a request for supplementary funds can be made. Expenditure against the supplementary grant can only be incurred if a formal approval by the Zilla Council to that effect is conveyed to the District Government. All such expenditure shall be formally regularized through a Supplementary Budget at the end of the year, and conveyed through a Supplementary Schedule of Authorized Expenditure.

## **The Budget Processes in Brief – the Top Down Process**



## 2.2 Accounting

The financial reporting is the basis of decision-making and is one of the most important elements of managerial functions. It enables decision makers to perform planning for both short term and long term. The financial reports provide data for preparing budget forecasts and cash flow projections. The importance of financial information cannot be underestimated. The local governments require financial information for the effective and efficient functioning of the offices.

In terms of LGO 2001, the accounts of the receipts and expenditure of local government are to be kept in such form and in accordance with such principles and methods as prescribed by the Auditor-General of Pakistan. The District Accounts Officer (or a Treasury Officer where a DAO does not exist) maintains the accounts of each District Government. The role of the District Accounts Offices is to:

- keep the accounting records of transactions
  - maintain and reconcile the cash book with the bank records
  - keep the original supporting documents with the bills in order
  - maintain safe custody for the set of books
  - perform the pre-audit function on payments
  - prepare and submit monthly and annual financial reports
  - provide accounting information to DDOs
- 
- reconcile accounts on monthly basis with the DDOs

The District Accounts Offices perform pre-audit of all payments from the Funds of the District before approving the disbursements of monies. The District Accounts Officer is responsible to consolidate the district accounts with the compiled accounts of the Tehsil, Town Account Office and Union Accounts Office.

The respective Accounts Committees of the Councils are responsible to hold public hearings in which objections to statement of accounts are to be heard and, if required, appropriate actions are recommended. A copy of the Statement of Accounts is to be placed at a conspicuous place for public information. The law provides for the establishment of Accounts Committees to review the accounts and related issues.

## **2.3 Auditing**

The Local Government Ordinance 2001 provides a number of checks and balances for ensuring that the expenditure by the District Government is incurred judiciously and in accordance with the law, rules and regulations. The Ordinance provides the institutional framework under which the audit is to be conducted. The external audit is conducted by Auditor-General of Pakistan. The external audit report is to be placed before the Accounts Committee of the Zilla Council. If required, a Zilla Nazim can request a special audit at any time during the year.

Under Section 115 (1) of the LGO, 2001, the Auditor-General of Pakistan shall, on the basis of such audit as he may consider appropriate or necessary, certify the accounts compiled and prepared by the respective accounts officials of the Local Government for each financial year, showing under the respective heads the annual receipts and disbursements.

Under Section 115 (4) of the LGO 2001, The Auditor-General in the case of District Government shall;

- a. audit all transactions from the district fund to ascertain whether the monies shown in the accounts as having been disbursed were legally available for, and applicable to, the service or purpose to which they have been applied or charged and whether the expenditure conforms to the authority which governs it;
- b. audit all transactions of a District Government relating to Public Accounts;
- c. audit all trading, manufacturing, profit and loss accounts of a District Government; and
- d. audit all receipts which are payable into a district fund and to satisfy himself that all such receipts which are payable into the district fund have been properly and correctly deposited and rules and procedures relating to such receipts have been fully observed.

The Auditor-General in the case of District Government shall have the authority to;

- a. to inspect any office of accounts, under the control of the District Government including treasuries, and such offices responsible for the keeping of initial or subsidiary accounts;
- b. to require that any accounts, books, papers and other documents which deal with, or form the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection; and
- c. to inquire or make such observations as he may consider necessary, and to call for such information as he may require for the purpose of the audit;

In addition to the external audit, Nazim of each District Government is to appoint an Internal Auditor. Internal audit is an independent, objective assurance and consulting activity designed to add value and improve District Government's operations and will help the District Government to accomplish the objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The Internal Auditor serves as a principal support person to respective Nazim of District Government by providing information to him on District Government performance.

## **2.4 Fiscal Decentralization**

The distribution of financial resources between Provincial Government and Local Governments, and among Local Governments is regulated under Chapter XIIA of LGO 2001, through the Provincial Finance Commission established in each province. From fiscal year 2002-2003 a transparent, formula-based system determines funds transfers to Local Governments.

The Provincial Finance Commission consists<sup>1</sup> of ten members, including the Chairman as under:

- Four ex-officio members , namely:
  - Provincial Minister for Finance;
  - Secretary to Government, Local Government and Rural Development Department;
  - Secretary to Government, Finance Department (as Member/ Secretary of the commission); and

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<sup>1</sup> This composition is of Punjab Provincial Finance Commission. The composition of PFCs varies in case of Finance Commissions of other provinces.

- Secretary to Government, Planning & Development Department;
- One Zilla Nazim, one Tehsil or Town Nazim and one Union Nazim.
- Three professional members from the private sector.

The functions, duties and powers of the Finance Commission are to make recommendations to the Governor for:

- a formula for distribution of resources including:
  - distribution between the Provincial Government and the Local Governments out of the proceeds of the Provincial Consolidated Fund into a Provincial Retained Amount and a Provincial Allocable Amount respectively
  - distribution of the Provincial Allocable Amount amongst the District Governments, Tehsil and Town Municipal Administrations and the Union Administrations as shares;
- any other matter relating to finance for and of the local government referred to the Finance Commission by the Governor, or the Provincial Government, or by a Local Government.

The Order of the Governor based on the recommendations of the PFC remains in force for a period of three years. The Provincial Allocable Amount and shares of the Local Governments are determined on the basis of actual monthly receipts of the Government.

The Fiscal transfer mechanism considers various factors to come up with an equitable distribution of funds. The main factors are population, under-development, fiscal effort, area, revenue generation capacity, and expenditure requirement, besides others. The objectives of fiscal transfers are to provide base line levels for essential services, to encourage revenue generation efforts, to encourage spending in priority areas and to promote efficient spending.

## **2.5 District Fund and Public Account**

All revenues received by the District Government form part of the District Fund including:

- monies transferred by another Local Government under the LGO 2001;
- grants made to or monies received by the District Government from the Provincial Government or other sources;
- the proceeds of taxes or charges levied by the District Government under LGO 2001;
- rents and profits payable or accruing to the District Government from immovable property vested in or controlled or managed by it;
- proceeds or any other profits howsoever known or called from bank accounts, investments or commercial enterprises of the District Government;
- gifts, grants or contributions to the District Government by individuals or institutions;
- fines paid with respect to offences under the LGO 2001 or by-laws or under any other law for the time being in force in which provision is made for the fines to be credited to the Funds established under the LGO 2001;
- proceeds from other sources of income which are placed at the disposal of the District Government under directions of the Government; and

- all monies transferred to the District Government by the Provincial Government.

All other monies including receipts accruing from trusts administered or managed by the District Government, refundable deposits received by the District Government; and deferred liabilities are credited to the Public Account of the District Government.

A District Government can transfer approved budgeted amounts to any Local Government, Village Council or Neighborhood Council or Citizen Community Board, within its local area, for expenditure for carrying out a project service or activity transferred to, or managed by, the recipient Local Government, Village Council Neighborhood Council or Citizen Community Board.

No local government is allowed to transfer monies to a higher level of government except by way of repayment of debts contracted before the coming into force of LGO 2001.

## **SECTION-3 ZILLA ACCOUNTS COMMITTEES: COMPOSITION AND FUNCTIONS**

### **3.1 Public Accounts Committees at Federal and Provincial Levels**

The Public Accounts Committees (PACs) are established by Federal and Provincial Governments to examine the accounts of governments and their agencies and other matters brought to their notice by the Auditor-General. Each PAC consists of not more than 12<sup>2</sup> members elected by the Assembly and the Minister for Finance is an ex-officio member. In terms of Rules of Procedures and Conduct of Business in the National Assembly 1992, the functions of the PAC are to examine the accounts showing the appropriation of sums granted by the Assembly for the expenditure of the Government, the report of the Auditor-General of Pakistan and other matters as the Minister for Finance may refer to the Committee. In scrutinizing the appropriation accounts of the government and reports of the Auditor-General of Pakistan thereon, it shall be the duty of the PAC to satisfy itself that:-

- the moneys shown in the accounts as having been disbursed were legally available for, and applicable to the service or purpose to which they were applied or charged
- the expenditure conforms to the authority which governs it, and
- every re-appropriation has been made in accordance with the rules framed by the Ministry of Finance.

If any money has been spent on any service during a financial year in excess of the amount granted by the Assembly for that purpose, Committee examines the facts of each case, the circumstances leading to such an excess, and makes recommendations. The report of the Committee is required to be presented within one year from the date on which the Assembly referred to it unless the Assembly extends the period by resolution. Any report memorandum or note that the PAC may have prepared, or any evidence that the PAC may have taken before the dissolution of the Assembly, shall be made available to the new PAC. The PACs should give the final decision or direction on Audit Reports.

### **3.2 Zilla Accounts Committees**

The Zilla Accounts Committee ensure that the principles of efficiency, economy, and effectiveness; shall be followed while spending public money. The government officials have performed their work with due diligence and have complied with the general principles of financial propriety and the prescribed financial rules and procedures. The Committee holds public hearings to evaluate, review and hear objections to annual accounts of the District Government; audit report of the Auditor-General of Pakistan on the accounts of the District Government; monthly accounts of the District Government and internal audit reports.

Section 114 of the Local Government Ordinance 2001 describes the Local Government's Accounts and its management in sub sections 5 and 6 as under:

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<sup>2</sup> The Public Accounts Committee of the National Assembly has nineteen (19) members.

5. A statement of monthly and Annual Accounts and such other necessary statements shall be placed at a conspicuous place by the Local Government concerned for public inspection.
6. The respective Accounts Committees of the Councils shall hold public hearings in which:
  - (a) objections to statement of accounts referred to in subsection (5) above may be heard and if required, appropriate action may be taken and
  - (b) Internal and external Audit Reports shall be discussed for appropriate action.

The Local Government Budget Rules, 2002 (Sindh) and 2003 (for all remaining Provinces) under Rule-87 described the responsibilities of Accounts Committee as under:

1. The Principal Accounting Officer (PAO) shall be responsible for resolving Audit paras relating to receipt.
2. The Accounts Committee of the Council shall monitor the receipt during the financial year.
3. The Accounts Committee shall especially focus on the reconciliation of receipts and realization of monthly targets.
4. The Head of Offices shall be responsible to the Accounts Committee of the Council for issues relating to receipt.

In 2004 Government of Balochistan and Government of Sindh issued Calendar of Activities for the Accounts Committees and in July, 2008 Government of Punjab issued Punjab Local Governments (Accounts) Rules, 2008. The next two sections discuss the composition, functions and responsibilities of Zilla Accounts Committees as per Guidelines issued by National Reconstruction Bureau (NRB) and Punjab Local Government (Accounts) Rules, respectively.

### **3.3 Functions of Zilla Accounts Committees**

(This part is based on Guidelines of National Accountability Bureau)

Each Zilla Council shall constitute its accounts committee.

#### **Composition and Election of Zilla Accounts Committee**

Zilla Accounts Committees shall be elected and constituted in the manner laid down in Local Government Ordinance 2001.

#### **Functions of Accounts Committee:**

The function of Zilla Accounts Committees shall be to monitor activities of the District Government or any organization using public funds to identify any corruption or leakage or waste of public money at any time of the year and conduct an annual review of external and internal audit reports. If necessary, they can augment their capacity to detect financial irregularities, by engaging voluntary services of a professional individual or organizations.

(a) Interact with the Zilla Nazim to ensure that the abstract of quarterly financial statement showing the receipt of funds in the District Provincial Account and the District Government Local Fund Account and expenditures in the development and non-development categories in each account are displayed in the office of Zilla Council at conspicuous place for public information.

(b) Interact with the Finance & Planning Committee of the Zilla Council to ensure that the abstract of the quarterly budgetary statements showing receipt of funds and expenditures (development and non-development) by each District and Tehsil office of the District Government and District Police including a project of the District Government or a C.C.B funded out of the District Local Fund or District Province Account is displayed for public information.

(c) Objectively review the external, internal and special audit reports in respect of each group of offices of the District Government, the District Police Office or any project of the District Government or a C.C.B financed out of District Local Fund or District Provincial Account and to follow up any objection, proposed draft paras or draft paras with the Zilla Nazim.

(d) Review the quarterly monitoring reports of the Finance and Planning Committee of the respective Council on the use of public funds, ascertain general public perception of cost and benefit of any project of the District Government or a Citizen Community Board involving expenditure from District Government Local fund account or the District Provincial Account and report observations about the loss of public money, extravagance or corruption in such projects to the Director Local Fund Audit, or as the case may be, the Provincial Director General Audit through a resolution passed by the Zilla Council at any time during a year.

(e) Present an annual report to the Zilla Council, reporting its achievements in prevention of loss of public money along with general recommendations for improvement of financial discipline and frugality.

### **Access to Record**

The Zilla Accounts Committee shall have access to the following records:

(a) Financial statements and audit reports in respect of district fund and all financial statements and audit reports in respect of district Provincial Account, vouchers or bills showing expenditure on purchases or payments made by any office of local govt.

(b) Record relating to sale, purchase, lease, mortgage acquisition or transfer in any other manner of both movable and immovable properties of the offices of District Government.

(c) Record pertaining to approvals, consents, permission, concessions, benefits and privileges of holder of elective offices or other officials, licenses, permits, agreements, contracts.

## **Exclusion of Certain Record**

The Accounts Committees shall not have access to the following records:

- (a) Record declared as classified under the policy made by the Government.
- (b) Record relating to personal privacy of an individual.
- (c) Record of private documents furnished to a public office either on an express or implied condition that information contained in any such document shall not be disclosed to a third person.
- (d) Minutes of meeting and interim orders of the officers of local govt.
- (e) Record of bank accounts of individuals, contractors or officials of local govt. furnished to the offices of local govt.

## **3.4 Composition, Election, Roles and Responsibilities of the Zilla Accounts Committees**

(This part is based on the Punjab Local Government (Accounts) Rules 2008. The complete text of Punjab Local Government (Accounts) Rules 2008 is at Annexure-I).

### **1. Constitution and Composition of Zilla Accounts Committee**

The ZAC shall be constituted for review of the audit and accounts reports for each Zilla Council. Zilla Accounts Committee shall consist of:-

- (i) Chairman and six members to be elected by the respective/ Council:

Provided that Local Council may fix such number of members as it deems fit.

Provided further that at least one member shall be elected from amongst the special interest seats; namely, women, peasant, workers and minorities.

- (ii) Government, District Government, and the Audit Authority of respective Local Government may nominate their representatives to attend the meetings of the ZAC, as observers and also to assist the committee on technical issues. However, they shall not be entitled to vote.

The members of ZAC shall be elected by the concerned Local Council through secret ballot.

The tenure of the ZAC shall not exceed the tenure of the respective Local Councils.

### **2. Appointment of Chairman, Zilla Accounts Committee**

The members of ZAC shall elect a Chairman from amongst them in the first meeting of the Accounts Committee which shall be held within seven days of the notification of names of members of Accounts Committee elected by the Local Council concerned.

### **3. Secretary of Zilla Accounts Committee.**

The Council Officer in case of ZAC, shall act as Secretary of the respective Accounts Committee.

Secretary of the Committee shall keep all record of the meetings of the Committee. He shall keep the minute's book and agenda of the Accounts Committee meetings.

### **4. Responsibility of Officers.**

The concerned Executive District Officer of the District Government shall act as Departmental Accounting Officer for his respective group of offices and be responsible to the ZAC of the Zilla Council.

### **5. Meetings of the Zilla Accounts Committee.**

The ZAC shall meet once in a month on such date and time as may be fixed by the Chairman and if required, its meetings can be held on weekly or daily basis.

Agenda indicating the date, time and venue of the meeting shall be sent to all the members of the ZAC by the Secretary of the committee at least three days in advance.

At least one half of the total membership of the ZAC, including its Chairman shall form the quorum for a meeting.

The meeting of the ZAC shall be presided over by the Chairman and in his absence by the member of the panel of presiding officers in order of precedence as prescribed under rule 13(3).

All decisions shall be taken by the ZAC by the majority of votes of the members present and voting:

Provided that in case of equal votes, the Chairman or the person presiding over the meeting shall have his casting vote.

## **Accounts and Forms**

### **1. Maintenance of Accounts**

All transactions of Local Government involving money out of District Fund/ Local Fund shall be brought to account.

Subject to the provisions of the Ordinance, the accounts of the receipts and expenditures of local government shall be kept in such form and in accordance with such principles and methods as the Auditor-General of Pakistan has prescribed in the Local Government Accounts Manual or NAM.

### **2. Responsibility of the Principal Accounting Officer**

All accounts relating to the District Fund/Local Fund shall be compiled in the offices of the respective Local Governments under the supervision of the Principal Accounting Officer or an officer authorized by him for this purpose.

The Principal Accounting Officer shall be responsible for the financial regularity of all transactions relating to the District Fund/Local Fund, and for the maintenance of the accounts correctly and in accordance with the provisions of the Ordinance and the rules made there under.

### **Monitoring and Implementation**

The Accounts Committee concerned shall monitor the implementation of these rules and shall submit its reports about the implementation of the rules by the Local Government, to the Council concerned, for review.

All the statements of monthly and annual accounts and such other necessary statements shall be placed / displayed at a conspicuous place for public inspection, together with a public notice for inviting objections containing specific date and time for hearing of objections.

The ZAC concerned shall hold hearing of the public objections and take any appropriate action, if so required.

After hearing the objections from the public on the accounts of the District Government, the ZAC shall send its findings along-with annual accounts to the Zilla Council.

The Zilla Council shall discuss and review the annual accounts and comments of ZAC in the meeting and prepare its recommendations.

The annual accounts/statements shall be sent to the audit authorities concerned along-with recommendations of the Zilla Council concerned.

### **Functions and Responsibilities of Zilla Accounts Committee**

The Zilla Accounts Committees shall:-

- a. review the audit and accounts reports of the District Government;
- b. ensure that statement of monthly accounts, annual accounts, audit reports and account reports shall be displayed at conspicuous public places by the District Governments for public inspection;
- c. prepare a schedule indicating;-
  - i. the date of publication of Audit and Accounts report;
  - ii. the last date for filing objections and suggestions by the general public;
  - iii. the last date on which the objections and suggestions of the public shall be examined in the presence of petitioners, public representatives and Departmental Accounting Officers; and
  - iv. the date on which a report shall be submitted by it to the Zilla Council on each observation/objection recorded in the audit or accounts report along with view point of the public and its own opinion, for decision;

- d. ensure the implementation of the decisions of the Zilla Council, on the Audit and Accounts Reports;
- e. hold public hearings in which:-
  - i. objections to statement of accounts shall be heard; and
  - ii. internal and external audit reports shall be discussed for appropriate action;
- g. issue directions to the various officers/officials of the District Government concerned for disposal of audit objections within specific time and in case of failure to do so, recommend suitable action against defaulters to the Zilla council;
- h. monitor the implementation of these rules in right earnest and shall submit its report about the compliance thereof by the District Government; and
- i. have the explanation/comments of the concerned officer/official on the audit objection and after considering the view point of the general public, the audit objection/observation regarding procedural lapses decided by the Zilla Accounts Committee and the remaining observations/objections along with explanation of the officer concerned, view point of general public and its own recommendations shall be forwarded to the Council concerned for consideration and further action;

The Zilla Council shall discuss and review the annual accounts and audit reports along with viewpoint of general public and comments of ZAC, in its meeting and;

- settle the objection; or
- take such measures as are considered necessary for speedy disposal of audit objections and recovery of amount of loss caused to the District Government by its member or a functionary of a Zilla Council or any other person charged with the administration of the affairs of the District Government.

The decision of ZAC about the settlement of an audit objection or otherwise taken under Rule 19 (k) shall be final.

ZAC shall prepare its Annual Report and present in the Zilla Council. The copies of the annual report shall also be sent to the Provincial Local Government Commission.

## **2. Liability of Zilla Accounts Committees with Regard to Audit Objections**

The ZAC shall not drop an Audit Objection without ensuring the completion of record or satisfying that its completion is not possible and that no financial loss is involved in it.

In the case of violation of above sub rule, the proceedings of ZAC shall be reviewed by the Zilla Council and declared null and void.

In case the omission is repeated by the ZAC, the Zilla Council shall direct the Zilla Accounts Committee with specific reference to the decision taken by the ZAC.

In case the direction of the Zilla Council is not adhered to, the Zilla Council may dissolve the ZAC and arrange its fresh elections.

### **3. Recovery of Losses.**

If the ZAC finds that Nazim or a member of Council or official/officer of the District Government is responsible for financial loss, misappropriation of funds or property belonging to a District Government, the ZAC after thorough investigation shall direct the person responsible to make good such loss within a period of one month.

In case the direction of the ZAC under above sub rule is not complied with, the Zilla Accounts Committee shall refer the case to the Zilla Council and such reference shall be disposed of by the Zilla Council in the light of clause (l) of rule 10.

### **4. Annual Performance Report of the Zilla Accounts Committee.**

The Annual Performance Report of the Zilla Accounts Committee shall be prepared and presented before the Zilla Council during first quarter of the year. The Zilla Council shall deliberate on the report of Zilla Accounts Committee and shall send the recommendations to the Zilla Nazim. A copy of the annual report along with recommendations of the Zilla Council shall be sent to Provincial Local Government Commission.

### **5. Supervision of the Zilla Accounts Committees.**

The Provincial Local Government Commission shall supervise the functioning of Zilla Accounts Committees and may call for and examine the record of any proceedings before any ZAC for the purpose of satisfying as to correctness, legality or propriety of any findings, recommendations or decision recorded or passed and as to the regularity of any proceedings of such Committee.

On examining the record or proceedings, the Provincial Local Government Commission may direct the ZAC, Zilla Council or any other authority including the audit authorities to make further probe into the matter, observation, objection or claim in order to set right the proceedings.

**Annexure-I**

**Punjab Local Governments (Accounts) Rules, 2008**

**GOVERNMENT OF THE PUNJAB**

**LOCAL GOVERNMENT & COMMUNITY  
DEVELOPMENT DEPARTMENT**

Dated Lahore the 14<sup>th</sup> July, 2008

**NOTIFICATION.**

**No. SOR(LG)38-1/2006.** In exercise of the powers conferred by section 191 (1) of the Punjab Local Government Ordinance, 2001 (XIII of 2001), the Governor of the Punjab is pleased to make the following rules:

**CHAPTER - I**

**INTRODUCTORY**

**1. Short title, extent, and commencement.--** (I) These rules may be cited as the Punjab Local Governments (Accounts) Rules, 2008.

2. They shall come into force at once.

**2. Definitions. --** In these rules, unless there is anything repugnant in the subject or context:-

- (a) "**Accounts Officer**" means the head of Accounts Office of a Local Government;
- (b) "**Accounts Committee**" means the Accounts Committee constituted under the Ordinance or these rules;
- (c) "**Audit Authority**" means the respective audit authority specified under section 115 of the Ordinance, for each tier of local government;
- (d) "**audit report**" means the Report consisting of printed audit paras, duly signed by the Auditor General of Pakistan and sent to the Nazim in terms of section 115 of the Ordinance;
- (e) "**Chairman**" means the Chairman of the Accounts Committee chosen by the members of accounts committee of a council.
- (f) "**Collecting Officer**" means the officer, who is responsible for estimation and realization of receipts from the area within his jurisdiction and designated as such by the concerned Principal Accounting Officer;

- (g) "**Departmental Accounts Officer**" means the respective Departmental Accounts Officer prescribed under rule 17 of these rules;
- (h) "**Drawing and Disbursing Officer**" means the officer, who prepares estimates of expenditure and actually incurs expenditure in respect of the office or offices of which he is the Drawing and Disbursing officer and designated as such by the concerned Principal Accounting Officer;
- (i) "**Form(s)**" means the prescribed form(s) as appended with these rules;
- (j) "**Local Accounts Officer**" means the head of an office of Accounts responsible for preparing the accounts of a local government and includes:
- (i) District Accounts Officer in respect of the District/City District Government;
  - (ii) Tehsils/Town Municipal Administration Accounts Officer; and
  - (iii) The Union Secretary in respect of the Union Administration;
- (k) "**Government**" means the Government of the Punjab;
- (l) "**Head of Office**" means.–
- (i) District Officer in case of District/City District Government;
  - (ii) Tehsils/Town Officer in case of Tehsils/Town Municipal Administration; and
  - (iii) Concerned Union Secretary in case of Union Administration;
- (m) "**Manual**" means the Local Government Accounts Manual notified by the Auditor General of Pakistan with the approval of the President of Pakistan, as amended from time to time;
- (n) "**member**" means a member of the Accounts Committee elected by the respective Local Council;
- (o) "**NAM**" means the New Accounting Model notified by the Auditor General of Pakistan with the approval of the President of Pakistan, as amended from time to time;
- (p) "**Ordinance**" means the Punjab Local Government Ordinance, 2001;
- (q) "**Public Accounts Committee**" means the Public Accounts Committee of the Provincial Assembly of the Punjab; and
- (r) "**Principal Accounting Officer**" means District Coordination Officer in case of District/City District Government, Zila Naib Nazim in case of the secretariat of Zila Council, Tehsils/Town Municipal Officer in case of Tehsils/Town Municipal Administration, Naib Tehsils/Town Nazim in case of the secretariat of Tehsils/Town Council, and the Union

Secretary nominated by the Union Nazim in case of Union Administration.

(2) Words and expressions used but not defined in these rules shall have the same meaning as are assigned to them in the Ordinance.

## **CHAPTER - II**

### **ACCOUNTS AND FORMS**

**3. Maintenance of Accounts-** (1) All transactions of a Local Government involving money out of District Fund/ Local Fund shall be brought to account.

(2) Subject to the provisions of the Ordinance, the accounts of the receipts and expenditures of local government shall be kept in such form and in accordance with such principles and methods as the Auditor General of Pakistan has prescribed in the Manual or NAM.

**4. Responsibility of the Principal Accounting Officer.-** (1) All accounts relating to the District Fund/Local Fund shall be compiled in the offices of the respective Local Governments under the supervision of the Principal Accounting Officer or an officer authorized by him for this purpose.

(2) The Principal Accounting Officer shall be responsible for the financial regularity of all transactions relating to the District Fund/Local Fund, and for the maintenance of the accounts correctly and in accordance with the provisions of the Ordinance and the rules made there under.

## **CHAPTER - III**

### **MONITORING & IMPLEMENTATION**

**5. Monitoring of Implementation.** - The Accounts Committee concerned shall monitor the implementation of these rules and shall submit its reports about the implementation of the rules by the Local Government, to the Council concerned, for review.

**6. Display of Annual Accounts.-** All the statements of monthly and annual accounts and such other necessary statements shall be placed / displayed at a conspicuous place for public inspection, together with a public notice for inviting objections containing specific date and time for hearing of objections.

**7. Hearing of objections.-** The respective Accounts Committee concerned shall hold hearing of the public objections and take any appropriate action, if so required.

**8. Findings of Accounts Committee to be sent to the Council.-** After hearing the objections from the public on the accounts of a Local Government, the Accounts

Committee concerned shall send its findings along-with annual accounts to the respective Council.

**9. Recommendations to be prepared by the Council.-** The concerned Council shall discuss and review the annual accounts and comments of Accounts Committee in the meeting and prepare its recommendations.

**10. Recommendations to be sent to the audit authorities.-** The annual accounts/statements shall be sent to the audit authorities concerned along-with recommendations of the Council concerned.

**11. Training of Personnel:-** The Local Government shall make arrangements to impart training and refresher courses to its functionaries including members of Accounts Committee in the matters relating to budget, accounts and finance.

## **CHAPTER - IV**

### **CONSTITUTION, COMPOSITION, AND FUNCTIONING OF ACCOUNTS COMMITTEES**

**12. Constitution and Composition of Accounts Committee.-** (1) Following Accounts Committees shall be constituted for review of the audit and accounts reports :-

- (i) Zila Accounts Committee for each Zila Council;
- (ii) Tehsils Accounts Committee for each Tehsils Council;
- (iii) Town Accounts Committee for each Town Council; and
- (iv) Union Accounts Committee for each Union Council.

(2) Each Accounts Committee shall consist of:-

- (i) a Chairman and six members to be elected by the respective/ Council:

Provided that Local Council may fix such number of members as it deems fit.

Provided further that at least one member shall be elected from amongst the special interest seats; namely, women, peasant, workers and minorities.

- (ii) Government, District Government, and the Audit Authority of respective Local Government may nominate their representatives to attend the meetings of the Accounts Committee, as observers and also to assist the committee on technical issues. However, they shall not be entitled to vote.

(3) The members of Accounts Committee shall be elected by the concerned Local Council through secret ballot.

(4) The tenure of the Accounts Committee shall not exceed the tenure of the respective Local Councils.

**13. Appointment of Chairman, Accounts Committee.-** (1) The members of Accounts Committee shall elect a Chairman from amongst them in the first meeting of the Accounts Committee which shall be held within seven days of the notification of names of members of Accounts Committee elected by the Local Council concerned.

(2) First meeting of the Accounts Committee shall be convened within seven days from the date of notification of members of the Accounts Committee, issued under rule 16(8), by the District Co-ordination Officer, Tehsils/Town Municipal Officer and Secretary Union Committee in the case of Zila Accounts Committee, Tehsils/Town Accounts Committee and Union Accounts Committee respectively and they shall record the minutes of that meeting. No other business shall be carried out in the first meeting.

(3) In its first meeting after the election of Chairman, the Accounts Committee shall, in order of precedence elect a panel of two presiding officers securing highest number of votes amongst its members, who shall preside over the meeting of the Committee in absence of the Chairman.

**14. Secretary of Accounts Committee.-** (1) The Council Officer in case of Zila Accounts Committee and Tehsils Accounts Committee, and Secretary Union Council, who is not the Principle Accounting Officer, in case of Union Council Committee, shall act as Secretary of the respective Accounts Committee.

(2) Secretary of the Committee shall keep all record of the meetings of the Committee. He shall keep the minute's book and agenda of the Accounts Committee meetings.

**15. Recording of Minutes of the Meetings of Accounts Committee.-**(1) The minutes of the meeting of the Accounts Committee shall be recorded and maintained by its Secretary.

(2) A copy of the minutes of the meeting of the Accounts Committee shall be sent by the Secretary of the Accounts Committee within one week of the meeting of the Accounts Committee to the :-

i. Secretary, Punjab Local Government Commission;

(ii) Nazim of each Council;

(iii) District Co-ordination Officer of the District;

(iv) all Executive District Officers concerned of the District/City District Government in the case of Zila Accounts Committee;

(v) all Town/Tehsils Officers concerned in the case of Tehsils/Town Accounts Committee;

(vi) all Secretaries of Union Council in the case of Union Accounts Committee;

(vii) audit authority; and

(viii) all members of the Accounts Committee concerned.

**16. Election of the members of Accounts Committees.**-(1) Every Local Council shall elect members of Accounts Committee in pursuance of rule 12(3), as the case may be, within a period of thirty days from the date of its first meeting, or from the date of promulgation of these rules whichever is later.

(2) The Naib Nazim in the case of Zila and Tehsils/Town Council and Nazim in the case of Union Council, shall act as presiding officer for the election of members of the Accounts Committee respectively. The proceedings of the meeting shall be recorded by the District Co-ordination Officer, Tehsils/Town Municipal Officer and Secretary, Union Committee in the case of Zila Council, Tehsils/Town Council and Union Council respectively.

(3) Each member of the Council shall cast a vote for election of members of the Accounts Committee through a secret ballot. The candidates securing highest votes in order of precedence, and equal to the number of members mentioned in rule 12(2) shall be notified as successful.

(4) For the following categories of candidates, ballot paper of different color for different categories of candidates, shall be issued by the Presiding Officer to each voter/member of the concerned Council :-

- (i) General Seats.
- (ii) Women
- (iii) Peasant.
- (iv) Worker
- (v) Minority.

(5) The ballot paper shall be stamped on the back with the official mark and signed by the Presiding Officer.

(6) The number of the voter/member shall be listed by the Presiding Officer and shall also be written on the counterfoil of ballot paper by the Presiding Officer.

(7) The Presiding Officer shall take guidance and assistance with regard to other procedures of election from the Punjab Local Government (Election) Rules, 2005.

(8) The Naib Nazim in the case of Zila Council and Tehsils/Town Council and Nazim in the case of Union Council shall notify the result of the election on the same day. In case the result is not notified on the same day, the District Co-ordination Officer, Tehsils/Town Municipal Officer and Secretary, Union Committee in the case of Zila Council, Tehsils/Town Council and Union Council respectively shall notify the result of election of members on the next day of the Election.

(9) In case of vacancy due to any reason, whatsoever, the concerned Council shall elect new member of the Accounts Committee within a month from the date of vacancy.

**17. Responsibility of Officers.**-(1) The concerned Executive District Officer of the District/City District Government shall act as Departmental Accounting Officer for his respective group of offices and be responsible to the District Accounts Committee of the Zila Council.

(2) Concerned Town/Tehsils Officer of the Town/Tehsils Municipal Administration, shall act as Departmental Accounting Officer for his respective office and shall be

responsible to the Accounts Committee of the Town Council or Tehsils Council, as the case may be.

(3) Secretary, Union Council shall act as Departmental Accounting Officer for his respective office and be responsible to the Union Accounts Committee.

**18. Meetings of the Accounts Committee.**-(1) The Accounts Committee shall meet once in a month on such date and time as may be fixed by the Chairman and if required, its meetings can be held on weekly or daily basis.

(2) Agenda indicating the date, time and venue of the meeting shall be sent to all the members of the Accounts Committee by the Secretary of the committee at least three days in advance.

(3) At least one half of the total membership of the Accounts Committee, including its Chairman shall form the quorum for a meeting.

(4) The meeting of the Accounts Committee shall be presided over by the Chairman and in his absence by the member of the panel of presiding officers in order of precedence as prescribed under rule 13(3).

(5) All decisions shall be taken by the Accounts Committee by the majority of votes of the members present and voting:

Provided that in case of equal votes, the Chairman or the person presiding over the meeting shall have his casting vote.

(6) A member of the Accounts Committee may tender his resignation to the District Co-ordination Officer, Tehsils/Town Municipal officer or the Secretary, Union Committee in the case of Zila Council, Tehsils/Town Council and Union Council respectively who shall forward the same to the Naib Nazim in the case of Zila, Tehsils/Town Councils and Nazim in the case of Union Council for placing the same in the very next meeting of the concerned council. In case the resignation is not placed before the Council by the Naib Nazim or Nazim, as the case may be, the resignation shall stand accepted from the date of the meeting in which it was to be placed for consideration.

**19. Functions and Responsibilities.**-(1) The Accounts Committees shall:-

- a. review the audit and accounts reports of their respective Local Government;
- b. ensure that statement of monthly accounts, annual accounts, audit reports and account reports shall be displayed at conspicuous public places by their respective Local Governments for public inspection;
- c. prepare a schedule indicating;-
  - i. the date of publication of Audit and Accounts report;

- ii. the last date for filing objections and suggestions by the general public;
  - iii. the last date on which the objections and suggestions of the public shall be examined in the presence of petitioners, public representatives and Departmental Accounting Officers; and
  - iv. the date on which a report shall be submitted by it to the respective Council on each observation/objection recorded in the audit or accounts report along with view point of the public and its own opinion, for decision;
- e. ensure the implementation of the decisions of the Council, on the Audit and Accounts Reports;
- f. ensure the preparation of annotations of the audit and accounts reports by the concerned officers of the Local Council and its submission to the concerned authorities after observing prescribed formalities;
- g. hold public hearings in which:-
- i. objections to statement of accounts shall be heard; and
    - (ii) internal and external audit reports shall be discussed for appropriate action;
- j. summon any officer/ official of Local Government or non official concerning an audit objection or call for any record with a view to fixing responsibility on the delinquent;
- k. ensure that the annotated reply of audit and accounts reports are prepared and sent to quarters concerned by the Departmental Accounting Officers;
- l. issue directions to the various officers/officials of the Local Government concerned for disposal of audit objections within specific time and in case of failure to do so, recommend suitable action against defaulters to the concerned council;
- m. monitor the implementation of these rules in right earnest and shall submit its report about the compliance thereof by the Local Government; and
- n. have the explanation/comments of the concerned officer/official on the audit objection and after considering the view point of the general public, the audit objection/observation regarding procedural lapses decided by the Accounts Committee and the remaining observations/objections along with explanation of the officer concerned, view point of general public and its own recommendations shall be forwarded to the Council concerned for consideration and further action;

(2). The concerned council shall discuss and review the annual accounts and audit reports along with viewpoint of general public and comments of Accounts Committee, in its meeting and;

- i. settle the objection; or
- ii. take such measures as are considered necessary for speedy disposal of audit objections and recovery of amount of loss caused to the Local Government concerned by its member or a functionary of a Local council or any other person charged with the administration of the affairs of a Local Government.

(3). The decision of an Accounts Committee about the settlement of an audit objection or otherwise taken under Clause (k) shall be final.;

(4). Accounts Committee shall prepare its Annual Report and present in the Council concerned. The copies of the annual report shall also be sent to the Provincial Local Government Commission;

(5). If a member or Chairman of an Accounts Committee, without a reasonable cause, fails to attend a duly convened meeting, he shall be liable to disciplinary action;

(6). The non attendance of any member of the Accounts Committee shall not have any effect on proceedings and minutes of the Accounts Committee;

(7). The audit objections which are not settled by the close of a financial year due to non production of relevant record, or non preparation of its annotated reply, the matter shall be presented before the Council concerned by the Principal Accounting Officer of the concerned Council for taking suitable action against the concerned delinquents. The pending audit objections shall be discussed and recommendations made by the Local Council during the month of July of every year and a report sent to the Local Government Commission for further necessary action;

**20. Liability of Accounts Committees with regard to Audit Objections. – (1)**

The Accounts Committee shall not drop an Audit Objection without ensuring the completion of record or satisfying that its completion is not possible and that no financial loss is involved in it.

(2) In the case of violation of sub rule (1), the proceedings of the Accounts Committee shall be reviewed by the concerned Council and declared null and void.

(3) In case the omission is repeated by the Accounts Committee, the concerned Local Council shall direct the Accounts Committee with specific reference to the decision taken by the Accounts Committee.

(4) In case the direction of the Local Council is not adhered to, the Local Council may dissolve the Accounts Committee and arrange its fresh elections.

**21. Recovery of losses.**-(1) If the Accounts Committee finds that Nazim or a member of Council or official/officer of a Local Government is responsible for financial

loss, misappropriation of funds or property belonging to a Local Government, the Accounts Committee after thorough investigation shall direct the person responsible to make good such loss within a period of one month.

(2) In case the direction of the Accounts Committee under sub rule (1) is not complied with, the Accounts Committee shall refer the case to the concerned Local Council and such reference shall be disposed of by the concerned Local Council in the light of clause (l) of rule 10.

**22. Preparation of monthly and annual reports.--** The schedule of activities relating to the monthly and annual Accounts Reports shall be as under :-

(i) The District, Tehsils/Town Accounts Officers and Union Accountants shall compile the accounts of receipts and expenditure of their respective Local Governments/ Administrations for the preceding month by seventh day of each month.

(ii) The Principal Accounting Officers shall submit the compiled accounts to the Accounts Committees of their respective Councils; placed at conspicuous places for public inspection and copies may also be released to the press /media, if necessary.

(iii) On the closing of accounts at the end of each financial year, the District and Tehsils/Town Accounts Officers and Union Accountants shall compile the accounts of receipts and expenditure of their respective local governments/ administrations and prepare statements of Accounts for the preceding financial year; before fifteenth day of August each year.

(iv) The Principal Accounting Officers shall submit the Statement of Accounts to the Accounts Committees of their respective Councils; placed at conspicuous places for public inspection and copies of such statements shall be released to the press/media, if necessary.

**23. Annual External Audit Reports.--** The schedule of activities regarding external audit reports shall be as follows :-

(i) audit authority shall notify a schedule regarding conduct of audit in respect of Local Government/Administrations in each district.

(ii) Conduct and complete annual audit according to the notified schedule.

(iii) The Nazim shall cause the audit report to be submitted to the respective Council and the Council shall refer it for examination to its Accounts Committee.

**24. Annual Performance Report of the Accounts Committee.--** The Annual Performance Report of the Accounts Committee shall be prepared and presented before the Local Council Concerned during first quarter of the year. The respective Council shall deliberate on the report of Accounts Committee and shall send the recommendations to the Nazim. A copy of the annual report along with

recommendations of the Council shall be sent to Provincial Local Government Commission.

**25. Supervision of the Accounts Committees.** -- (1) The Provincial Local Government Commission shall supervise the functioning of Accounts Committees of Local Governments and may call for and examine the record of any proceedings before any Accounts Committee for the purpose of satisfying as to correctness, legality or propriety of any findings, recommendations or decision recorded or passed and as to the regularity of any proceedings of such Committee.

(2) On examining the record or proceedings under sub rule (1) the Provincial Local Government Commission may direct the Accounts Committee, Local Council or any other authority including the audit authorities to make further probe into the matter, observation, objection or claim in order to set right the proceedings.

**26. Repeal.** -- The Punjab Local Government (Accounts) Rules, 2001 and the Punjab Local Council (Functions of Accounts Committees) Rules, 1984, are hereby repealed.

**SECRETARY TO GOVERNMENT OF THE PUNJAB  
LOCAL GOVERNMENT & COMMUNITY  
DEVELOPMENT DEPARTMENT**

**CALENDER OF ACTIVITIES OF THE ZILLA ACCOUNTS COMMITTEE****Compilation, display and submission of Monthly Statements of Accounts and Public Hearings by the Accounts Committees****FORM "A"****ACTIVITIES FOR MONTHLY ACCOUNTS AND INTERNAL AUDIT REPORTS**

| <b>Sr. No</b> | <b>Activities</b>   | <b>Date</b>  |
|---------------|---|--|
| i)            | The District Accounts Officer shall compile the accounts of receipts & expenditure of District Government for the preceding month;  | By the 7 <sup>th</sup> of each calendar month                      |
| ii)           | The Principal Accounting Officers shall submit the compiled accounts to the Accounts Committee of their respective District Councils; the statements of accounts shall also be placed at conspicuous places for public inspection and copies of such statements shall also be released to the press/media | By the 10 <sup>th</sup> of each calendar month                     |
| iii)          | The Accounts Committees shall invite/receive objections on the accounts of District Government.   | By the 15 <sup>th</sup> of each calendar month                     |
| iv)           | The Accounts Committees of the respective Local Governments/Administrations shall hold public hearing on the objections and formulate their observations/recommendations  | By the 16 <sup>th</sup> to 20 <sup>th</sup> of each calendar month |
| v)            | The reports of the Accounts Committees shall be forwarded to The Local Government Commission and the concerned Local Councils for necessary action.   | By the 25 <sup>th</sup> of each calendar month                     |

**Compilation, display & submission of Monthly Statements of Accounts and Public Hearings by the Accounts Committees.**

**FORM “B”**

**ACTIVITIES FOR ANNUAL ACCOUNTS AND INTERNAL AUDIT REPORTS.**

| <b>Sr. No</b> | <b>Activities</b>   | <b>Date</b>   |
|---------------|---|---|
| i)            | On the closing of accounts at the end of each financial year, the District Accounts Officers shall compile the accounts of receipts & expenditure of District Government and prepare Statements of Accounts for the preceding financial year;   | By the 31 <sup>st</sup> of July of each year            |
| ii)           | The Principal Accounting Officers shall submit the Statement of Accounts to the Accounts Committees of their respective Councils; the Statement of Accounts shall also be placed at conspicuous places for public inspection and copies of such statements shall be released to the press/media | By the 15 <sup>th</sup> of August of each year          |
| iii)          | The Accounts Committees shall invite/receive objections on the annual accounts of District Government.  | By the 25 <sup>th</sup> of August of each year          |
| iv)           | The Accounts Committees shall hold public hearing on the objections & formulate their observations/ recommendations   | By the 1 <sup>st</sup> to 15 <sup>th</sup> of September |
| v)            | The reports of the Accounts Committees shall be forwarded to The Local Government Commission and the Zilla Council for necessary action   | By the 1 <sup>st</sup> of October                       |

**Preparation and submission of annual accounts to the concerned Audit Authority, audit of annual accounts and submission of Audit Reports to the Local Councils and consideration/ hearing of the Audit Reports by the Accounts Committees and placement of recommendations before the Local Council.**

**FORM “C”**

**ACTIVITIES FOR ANNUAL AUDIT REPORTS**

| <b>Sr. No</b> | <b>Activities</b>   | <b>Date</b>  |
|---------------|---|--|
| i)            | Audit authority shall notify a Schedule regarding conduct of Annual Audit in respect of Local Government/ Administrations in each district          | At least 15 days earlier the date of commencement of Annual Audit                            |
| ii)           | Conduct and completion of Annual Audit according to the Notified Schedule   | As per schedule  |
| iii)          | Submission of annual audit reports to the Nazims of each Local Government/Administration  | Immediately on completion of Audit   |
| iv)           | Presentation of the annual audit reports by the Nazims to their respective Locals Councils  | Within a month on receipt of annual audit report   |
| v)            | Public hearings on the annual audit reports by the respective Accounts Committees   | Within a fortnight after submission of annual audit report by the Nazim to the Local Council |
| vi)           | Submission of the Findings/ Recommendations of the Accounts Committees to the respective Local Councils and Provincial Local Government Commission. | Within a month after submission of Annual Audit Report by the Nazim to the Local Council     |

**FORM "D"**

**DETAILS OF UN-SETTLED AUDIT PARAS AT THE CLOSE OF YEAR.**

| <b>Sr. No</b> | <b>DETAIL OF LOSS, IRREGULARITIES, EMBEZZLEMENT ETC.</b> | <b>AMOUNT INVOLVED IF ANY</b> | <b>PERSONS RESPONSIBLE</b> | <b>REFERENCETO THE AUDIT REPORT</b> | <b>RECOMMENDATIONS OF ACCOUNTS COMMITTEE</b> |
|---------------|--|-------------------------------|----------------------------|-------------------------------------|--|
| i)            |  |                               |                            |                                     |  |
| ii)           |  |                               |                            |                                     |  |
| iii)          |  |                               |                            |                                     |  |
| iv)           |  |                               |                            |                                     |  |
| v)            |  |                               |                            |                                     |  |
| vi)           |  |                               |                            |                                     |  |