



***THE CANTONMENT BOARDS
BUDGET RULES, 1966**

[18th February, 1967]

No. 373/67.- In exercise of the powers conferred by clause (i) of sub-section (2) of Section 280 of the Cantonments Act, 1924 (II of 1924), the Central Government is pleased to make the Cantonment Boards Budget Rules, 1966, the same having been previously published as required by sub-section (1) of Section 280 of the said Act, nameiy:—

CHAPTER I

PRELIMINARY AND DEFINITIONS

(1) These rules may be called the Cantonment Boards Budget Rules, 1966.

(2) They shall come into force at once.

(3) They shall apply to all Cantonments in Pakistan.

2. In these rules, unless there is anything repugnant in the subject or context—

(1) “Act” means the Cantonments Act, 1924 (II of 1924);

(2) “Budget” means the statement of estimates of receipts and expenditure of a Cantonment Board for a financial year;

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- (3) "Code" means the Pakistan Cantonments Account Code, 1955;
- (4) "Controlling Authority" includes the Director, Military Lands and Cantonments, or any other officer of the Pakistan Military Lands and Cantonments Service authorised by him for the purposes of these rules;
- (5) "Form" means a form appended to these rules;
- (6) "Government" means the Federal Government;
- (7) "Schedule" means a Schedule of the Budget;
- (8) "Volume" means a Volume of the Budget;
- (9) Other words and expressions used in these rules shall have the same meaning as are assigned to them.

CHAPTER II

STRUCTURE OF THE BUDGET

3. The budget be in two volumes of which—
 - (a) Volume I, shall contain the Estimates of Receipts, Expenditure and Schedules; and
 - (b) Volume II, shall contain the Explanatory Memorandum.
4. Volume I shall comprise—
 - (a) Estimates of Receipts;
 - (b) Estimates of Expenditure;
 - (c) Financial Abstract;
 - (d) Schedule of Establishment;
 - (e) Schedule of Contingencies;
 - (f) Schedule of Stores;
 - (g) Schedule of Works;

- (h) Schedule of Arrears of all kinds of dues;
- (i) Schedule of Taxes; and
- (j) Any other Schedule, which the Controlling Authority may require for the purposes of Budget and fiscal control of a Board.

5. The Estimates of Receipts and Expenditure shall be prepared by the Executive Officer in Form Cantt. I-B of the Code, hereinafter referred to as the Form, and shall provide for the budget estimates for the ensuing year, the revised estimates for the current year, the sanctioned estimates for the current year, the actual figures for the preceding year and the average of actuals for three years preceding the past year. The various items of receipts and expenditure specified in the Form, shall be adopted according to requirements.

6. (1) Where a Cantonment Board has no income under any item specified in the Form, such item may be omitted and where the Cantonment Board has an income under an item which is not specified in the Form, such item may be added.

(2) Every head of expenditure shall be divided into a number of Sub-Heads as specified in the Form or in such other manner as may suit the requirements. Every Sub-Head shall be divided further in such manner as may suit the requirements. A provision shall be made in the estimates of expenditure against each Sub-Head. Such provision shall be referred to as an appropriation.

7. The invested funds and sinking funds of the Board shall not be shown in the opening and closing balances; but details thereof according to face value shall be given in Appendix 'B' to the Form.

8. Details of Provident Fund Account shall accompany the Budget Estimates in Appendix 'C' to the Form.

9. The Financial Abstract shall be in Form B-1 and shall furnish the statistics with regard to the various items specified in the said Form and such other statistical data as the Controlling Authority or the Cantonment Board may specify from time to time with a view to giving a clear picture of the financial operations and principal activities of the Cantonment Board.

10. The Schedule of Establishment shall be in Form B-2 and shall furnish the necessary particulars about the entire establishment, whether permanent or temporary, and the establishment charges under various Sub-Heads;

Provided further that all proposals for revision of establishing affecting posts in the transferable category or in respect of which Government is the appointing authority shall be submitted to the Director before incorporation in the Budget Estimates.

11. The Schedule of Contingencies shall be in Form B-3 and shall contain a detailed breakup of the estimates of contingencies under various Sub-Heads.

12. The Schedule of Original Works shall be in Appendix 'A' to the Form and shall contain a detailed breakup of the various works provided for under various Sub-Heads. Full particulars of the original works shall be given including brief history of the case, the expenditure involved, the justification of the proposed expenditure and the likely yield therefrom, if any. The works pertaining to repairs and maintenance will be in Form B-4 and shall furnish the necessary particulars about all such works, item-wise.

13. No proposal for original works shall be incorporated in the Budget Estimates unless it has been considered by the Board and sanctioned by the competent authority in the manner prescribed in the Code.

14. Any proposal for original work submitted under rule 12 may, if considered necessary, be referred back to the Board to be checked by the Military Engineering Service or any other authority at the cost of the Board.

15. The Schedule of Arrears shall be in Form B-5 and shall furnish full particulars about the arrears year-wise under various items of income, and the estimates of receipts under various items likely to be realised during the year on account of arrears, and included in the Budget Estimates of Receipts.

16. The Schedule of Taxes shall be in Form B-6 and shall contain a digest of the various existing taxes as well as new taxation proposals:

Provided that no income from taxation proposals shall be incorporated in the Budget Estimates unless such proposals have been finalized under the provisions of the Act.

17. The Explanatory Memorandum forming Volume II of the Budget shall explain the provisions contained in the Estimates and Schedules. It shall be divided into Parts and each Part shall deal with one Estimate, Statement or Schedule to be explained.

18. While explaining the various provisions in the Estimates of Receipts, the Explanatory Memorandum shall review the various sources of income, how far such sources are productive or otherwise, to what extent such sources have been exploited and can still be exploited and the problems arising with regard to each item of income, and the manner in which these are proposed to be tackled. This will also include the expenditure that is incurred or proposed to be incurred on realisation of income from particular source or sources for appraisal of the justification of the proposal.

19. While explaining the various provisions in the Estimates of Expenditure, the Explanatory Memorandum shall among other matters review the principal activities of the Cantonment Board under various Sub-Heads indicating the performance targets already achieved and proposed to be achieved in the ensuing year.

20. While explaining the provisions in the Schedule of Establishment, full details shall be furnished about the staff employed under various Branches and where new establishment is proposed to be employed during the ensuing year full justification therefor shall be given.

21. While explaining the provisions in the Schedule or Contingencies, full details shall be furnished in justification of expenditure on the various items of contingencies with particular reference to new items and such items on which expenditure is proposed to be increased.

22. While explaining the provisions in the Schedule of Original Works, each work shall be numbered and full particulars shall be furnished about the justification for each work, the probable cost, rate of construction per square foot, the period during which it will be executed, the manner in which it will be financed, the agency through whom it will be executed and the likely benefits to accrue from the execution thereof.

23. While explaining the provisions in Schedule of Arrears, each item shall be numbered and full details shall be furnished for each item, including the reasons for the accumulation of arrears and the steps taken or proposed to be taken for the liquidation thereof.

24. While explaining the Schedule of Taxes, each tax shall be numbered and full particulars shall be furnished about each tax, and its financial implications.

25. While submitting the budget estimates to the Board, the Executive Officer shall clearly state and furnish the details of items of new expenditure or a new grant-in-aid showing the purpose of the expenditure and the exact nature of the conditions on which such proposals are based.

Explanation.- In this rule, the term “new expenditure” shall mean not only the expenditure on all new services, the provision for which has not been previously included in the sanctioned budget of the previous year, but also the expenditure on new items like those involved in addition to, or in extension of, an existing service, commitment or facility for example provision of new buildings or alterations to existing buildings.

CHAPTER III

PRINCIPLES OF BUDGETING

26. Estimates of Receipts in the Budget shall be as accurate as possible, and shall neither be inflated nor under-pitched. In making the estimates, the receipts during the preceding three years, the receipts during the current year, the various economic factors regulating such receipts and other relevant factors shall be given due consideration.

27. No fresh receipt on account of Government grant or as a contribution by any other authority shall be shown or incorporated in the estimates of receipts, unless a definite communication in writing sanctioning the payment of such amount has been received from Government or the authority concerned, as the case may be.

28. No receipt shall be shown or incorporated, in the estimates of receipts on account of any tax, fee, loan, charge or other levy, unless such tax, fee, loan, charge or other levy has been sanctioned by the competent authority.

29. Except with the prior sanction of the Controlling Authority, no part of income from sale of leases, or immovable property or from such source or sources as the Controlling Authority may specify, shall be diverted to meet the normal expenditure.

30. A Cantonment Board may, and if required by the Controlling Authority shall, earmark any receipt for expenditure on specified items, and if any items are thus earmarked, the receipt therefor shall not be diverted to meet expenditure on any items other than those for which such receipts are earmarked.

31. A Cantonment Board may, from time to time, and if required by the Government or the Controlling Authority shall, fix the percentage of income and expenditure beyond which the total expenditure on establishment generally or under a particular Head or Sub-Head shall not exceed.

32. A Cantonment Board may, from time to time, and if required by the Government or the Controlling Authority shall, fix the percentage of the income which shall be earmarked for development, and the allocation out of the income from development expenditure shall not fall below such percentage.

33. (1) Where a Development Plan has been sanctioned, development expenditure shall be provided in the Budget in accordance with the provisions of the Development Plan and no development expenditure shall be provided in the Budget which is not provided in the sanctioned Development Plan.

(2) Development Plan shall be submitted to the Controlling Authority at least three months before the preparation of the Budget Estimates.

34. Development Expenditure shall mean—

- (1) the expenditure included in the Development Plan;
- (2) the expenditure for an original work;
- (3) the expenditure for new service or an expansion in an existing service; and
- (4) any expenditure declared by the Government or the Controlling Authority to be development expenditure.

35. Where no Development Plan has been prepared or sanctioned, no development expenditure with regard to a discretionary function of the Cantonment Board shall be provided in the Budget except with the previous sanction of the Controlling Authority.

36. The Estimates of Expenditure shall be framed as accurately as possible and based on the principle of certainty and not on the principle of probability. All items of expenditure that can be foreseen shall be provided for,

taking care that the amount of provisions is restricted to the absolute minimum necessary.

37. The estimates for the ensuing year shall ordinarily be based on the revised estimates of the current year but this shall not be the sole criterion for the framing of estimates. The need for every item shall be fully scrutinized in the context of all relevant factors before inclusion in the estimates.

38. No item for expenditure shall be included in the estimates without proper consideration and an exportation of foresight under rule 36 shall not be construed as an invitation to provide for new items of expenditure without proper consideration.

39. At the time of the framing of the estimates for Expenditure, all items of expenditure shall be reviewed, and such economy as may be possible shall be made.

40. The Budget shall be development oriented, and whereas the estimates on account of expenditure shall be prepared on the basis of austerity, the provisions for development expenditure shall be progressively increased.

41. The Budget shall, as far as possible, be a performance budget and it shall make due provision to ensure that the standard of performance in the various activities of the Cantt.

Board rises progressively and is not allowed to fall or deteriorate.

42. All items of New Expenditure shall be scrutinised with due care before these are included in the budget. In scrutinising such items, the following principles shall be kept in view, that is to say:—

- (1) the Cantonment Board shall concentrate on the performance of obligatory functions and additional liabilities on account of discretionary functions shall as far as possible be given a secondary position;
- (2) the proposals for new expenditure shall be formulated on the basis of priority after taking stock of the overall requirements of the Cantonment Board under various Heads;

- (3) preference shall be given to development requirements and new expenditure shall, as far as possible, be kept at the minimum possible level; and
- (4) with reference to development projects, preference shall be given to such projects, which do not involve a recurring cost.

43. When providing for an item of new expenditure, administrative difficulties and delays shall be kept in mind and only such amount shall be provided which is likely to be spent during the course of the year.

44. In framing estimates for sanctioned establishment, whether permanent or temporary, the pay including increments and allowances likely to be drawn by person on duty during the year shall be provided for. No provision shall be made for appointments to be held in abeyance.

45. For the purposes of the Schedule of Establishment, the establishment provided for under different Heads shall be shown separately. The estimates shall specify the number of posts, the grades of pay and other particulars about the establishment. The manner in which the estimates are worked out shall be explained in the Explanatory Memorandum.

46. The estimates under Contingencies shall include all charges other than the charges for establishment and the charges for the execution of works.

47. Estimates for fluctuating items of expenditure under contingencies shall be based on the allotment for the current year viewed in the light of the average of the past three years' actual and allowance made for causes likely to modify the figure. Any excess over the current budget shall be explained in the Explanatory Memorandum.

48. A sum not exceeding 1 per cent of the estimated expenditure under various Heads of contingencies may be provided to meet unforeseen expenditure.

49. While giving particulars about original works in the Schedule of Works, the works in progress shall be distinguished from the new works. In estimating the amounts required for works in progress during the ensuing year, due allowance shall be made to ensure that there is no rush of expenditure in the last month of the year.

50. All estimates on the receipt as well as expenditure side shall be rounded to the nearest hundred, that is, figures below 50 shall be disregarded, and all figures of 50 or above shall be entered as a hundred.

51. The closing balance, while preparing the budget shall not, except with the sanction of the Controlling Authority, be allowed to fall below 10 per cent of the estimated expenditure for the year.

CHAPTER IV

PREPARATION, CONSIDERATION AND SANCTIONING OF THE BUDGET

52. The Executive Officer shall be responsible for the preparation of the Budget, and for the endorsement of the provisions of these rules.

53. The Budget shall be presented to the Cantonment Board at a special meeting on such date as may be fixed by the President; provided that such date shall not be later than the 15th day of April.

54. A Cantonment Board may approve or reject any demand, or make such reductions or modifications in the demands as it may deem necessary.

55. The Executive Officer shall amend the Budget in accordance with the decision of the Cantonment Board under rule 54. The Budget thus amended shall be the final Budget

56. The Executive Officer shall forward the final Budget in duplicate, to the Controlling Authority by a date not later than the first day of May. While forwarding the Budget, the Executive Officer may make such observations thereon for the consideration of the Controlling Authority, as he may deem necessary.

57. The Controlling Authority may, within thirty days of the receipt of the final Budget, sanction it or, for reasons to be recorded in writing, direct its modification in such manner as it may specify. The Budget alongwith a copy of such direction shall then be forwarded to the Government.

58. On receipt of a copy of the final Budget, the Government may make such observations thereon as it may deem necessary, and forward such observations to the Controlling Authority who shall take them into consideration while passing final orders.

59. On receiving an order for modification under rule 58, the Executive Officer shall amend the Budget in accordance with the orders of the Controlling Authority and authenticate under his signature a copy of the Budget so amended. The Budget thus authenticated shall be the sanctioned Budget, and shall, subject to the provisions of these rules, be enforced.

60. If a Cantonment Board is aggrieved by any order of modification passed by the Controlling Authority, it may represent against such orders to the Government through the Controlling Authority, and the orders passed by the Government shall be final and shall be enforced.

61. If any observations are received from the Government or the Controlling Authority after the Budget has been sanctioned, the Cantonment Board shall consider such observations, and take such action as may be necessary to implement them.

62. If for any unavoidable circumstances the Budget cannot be forwarded to the Controlling Authority before the specified date, the Executive Officer shall apply to the Controlling Authority for such extension of time as may be necessary.

63. If any extension of time is allowed under rule 62, the Controlling Authority shall pass such order as may be necessary for authorising expenditure for the period till the Budget is sanctioned under rule 59.

64. If the Budget is not received by the Executive Officer before the first day of July, he may, pending its receipt, authorise expenditure on payment of salaries to the establishment and other fixed, approved or obligatory charges on the basis of the expenditure incurred in the preceding year, keeping in view the order of preference laid down in the second proviso to section 109 of the Act.

65. If the Budget is not received by the Controlling Authority by the first day of May or if the extension applied for is not allowed, the Controlling Authority may have the necessary Budget prepared and certified on its own authority. The Budget thus certified shall be enforced by the Board.

CHAPTER V**ENFORCEMENT OF THE BUDGET AND SUPPLEMENTARY GRANTS**

66. The Executive Officer may, from time to time, frame a Collection Programme in Form B-7 setting up the targets for collection during specified periods and follow the programme.

67. It shall be the duty of the Executive Officer to ensure that:—

- (1) all income claimable is claimed, realised, and credited to the Cantonment Fund; and
- (2) all work of collection proceeds in accordance with the Collection Programme under rule 66, if any.

68. No money shall be spent hastily or in an ill-considered manner simply because it is available. Expenditure shall be watched and controlled not with a view to adapting the appropriations to the expenditure, but the expenditure to appropriations.

69. Additional funds to meet an excess in expenditure may be provided with the sanctions of the Controlling Authority as prescribed under the Code.

CHAPTER VI**BUDGET REVIEW AND BUDGET CONTROL**

70. The Executive Officer shall, from time to time, review the operations of the Budget and take such measures as may be necessary to ensure observance of canons of financial propriety, in conformity with the provisions of the Code.

71. The Executive Officer shall ensure that no financial irregularity is committed, that is to say—

- (1) no expenditure is incurred without sanction;
- (2) no expenditure is incurred without sufficient appropriation;
- (3) no expenditure is incurred without proper justification;

- (4) extravagance or waste of Cantonment Fund is avoided;
- (5) loss or leakage of Cantonment money or property due to fraud, neglect, or misappropriation is avoided;
- (6) there is no over-budgeting or under-budgeting; and
- (7) there is no breach of the provisions of these rules.

72. The Executive Officer shall take such steps as may be necessary to remedy the financial irregularities pointed out under rule 71.

73. Where due to lapse of time or any other unavoidable cause, any financial irregularity cannot be remedied, the Government may, for reasons to be recorded, condone such financial irregularity.

74. The Government may relax any of the provisions of these rules with reference to all or any of the Cantonment Boards.

FORM B-1

.....Cantonment.

FINANCIAL ABSTRACT

Sl. No.	Head of Account	Budget year	Current year	Preceding year
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- 1. Total Income.
- 2. Income on account of arrears of previous years.
- 3. Total income from taxes.
- 4. Total income from grants.
- 5. Income from local sources.
- 6. Incidence of Income.
- 7. Incidence of Taxes.
- 8. Incidence of Octroi.

9. Incidence of tax on buildings and lands.
10. Total expenditure.
11. New expenditure.
12. Total expenditure on Establishment.
13. Total expenditure on contingencies.
14. Total expenditure on original works.
15. Total expenditure on repairs and maintenance.
16. Development Expenditure.
17. Other Expenditure.
18. Percentage of income from local sources allocated for establishment.
19. Percentage of income from local sources allocated for development.
20. Total liabilities.
21. Total investments.
22. Opening Balance.
23. Closing Balance.
24. Surplus Potential.

FORM B-2

.....Cantonment.

SCHEDULE OF ESTABLISHMENT

Head	Sub-Head	Contingencies of Establishment	Grade of pay	Pay	Allowance	Leave Allowance	Providence Fund Contribution	Total
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.

.....Cantonment.

FORM B-3

SCHEDULE OF CONTINGENCIES

Head	Sub-head	Items of Contingencies	Revised Estimates for current year	Budget Estimates for current year	Budget Estimates for ensuing year	Actual for preceding year

FORM B-4

.....Cantonment.

SCHEDULE OF REPAIRS AND MAINTENANCE OF WORKS

Sl. No.	Description of work	Nature of repairs and maintenance	Estimated cost	Date when last repaired	Agency through which repairs are proposed to be executed	Remarks

FORM B-5

.....Cantonment.

SCHEDULE OF ARREARS

Item of Income	Arrears for previous years (year-wise)	Demand for current year	Collection up to 31 st December during current year		Arrears outstanding on 31 st December	Amount of arrears including in the Budget estimates for ensuing year
			Current	Arrears		

