

No.F.2(11)-CAO(MoF)-20-22/351  
Government of Pakistan  
Finance Division  
(Budget Wing)

Islamabad, the 28<sup>th</sup> April, 2021

**OFFICE MEMORANDUM**

Subject: **EXPENDITURE IN THE ABSENCE OF BUDGET PROVISION**

The undersigned is directed to refer Public Finance Management Act, 2019 and to state that PFM Act has been enacted to strengthen management of public finances in Federal Government. It clarifies institutional responsibilities related to financial management and strengthen budgetary management. The Section 10 relates to changes in the schedule of authorised expenditure while Sections 23 and 25 of the Act also elaborate expenditure out of the budget grants.

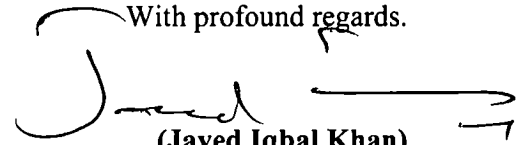
2. As per definition under section 2(q) of PFM Act, "Principal Accounting Officer is responsible for exercising financial propriety in management of public funds and having accountability to Parliament for the economic, efficient and effective use of resources". Under GFR 88 "The authority administering a grant is ultimately responsible for watching the progress of expenditure on public service under its control and for keeping the expenditure within the grant."

3. In the light of above-mentioned law and rules, Principal Accounting Officer is responsible to administer the demand and firstly charge the allocated budget for A01-employees related expenses against the sanctioned posts and to ensure that no shortfall is occurred in the relevant head. If there is any shortfall the funds may be provided through re-appropriation or technical supplementary grants for the purpose. The PAOs will be responsible in case of any excess payment over the allocated budget and will also be answerable before the PAC in this regard.

4. All PAOs are requested to transit business in accordance with provisions of PFM Act and General Financial Rules in true spirit.

5. Kindly ensure that, no expenditure (employees related or others) is incurred without the available budget (as per section 23 quoted above).

With profound regards.

  
(Javed Iqbal Khan)  
Joint Secretary (Budget-II)

**All Secretaries/PAOs of Ministries/Divisions**

c.c.

1. PS to Finance Secretary.
- 2/ PSs to all Additional Finance Secretaries.
- ✓3. Web Master for uploading of OM on Finance Division's Website.