

Government of Pakistan
Finance Division
(Budget Wing)

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No.F.2(13)-CAO(MoF)-2024-25/280

Islamabad, the 9<sup>th</sup> January, 2025

**OFFICE MEMORANDUM**


Subject: **RECOMMENDATIONS OF DEPARTMENTAL ACCOUNTS COMMITTEE ON CERTIFICATION AUDIT OF THE APPROPRIATION ACCOUNTS OF THE FEDERAL GOVERNMENT FOR THE FY 2023-24**

The undersigned is directed to refer meeting of the Departmental Accounts Committee (DAC) held on 12-11-2024 to discuss the Certification Audit of the Appropriation Accounts for the FY 2023-24. Audit raised observations on non-surrender of funds, excess expenditure and unjustified demand of budget.

2. Public Finance Management Act, 2019 enacted to strengthen management of public finances in Federal Government where the authorities/PAOs are responsible for compliance under Sections 12 and 23 for timely surrender of funds and incur expenditure, respectively.

3. Section 12 states that 'all PAOs are responsible to surrender all anticipated savings to the Finance Division by **31<sup>st</sup> of May** each year.' Section 23 states that, 'no authority shall incur or commit any expenditure ... from the Federal Consolidated Fund ... until the same has been sanctioned by a competent authority duly empowered and the expenditure has been **provided** for the financial year through- a) schedule of authorized expenditure or b) supplementary grant and technical supplementary grant as per Article 84 of the Constitution or c) re-appropriation'.

4. It is therefore, requested that PAOs may observe legal obligations under PFM Act, 2019 as mentioned above and explain the reasons of excess expenditure, non-surrender of funds and unjustified demand of budget before PAC, please.



**(Waheed Ahmed)**

Chief Accounts Officer (MoF)

- All PAOs for strict compliance, please.
- Director General, Directorate General of Audit (FG), Islamabad with the request to settle these paras (2, 3 & 4) with the remarks that the issues of excess expenditure and non-surrender of funds may be discussed in PAC meetings during discussion of the respective demands.
- ✓➤ Web Master for uploading in website of Finance Division.