



**GOVERNMENT OF KHYBER PAKHTUNKHWA**  
**FOOD SAFETY AND HALAL FOOD AUTHORITY**

Dated, 26/10/ 2017

**NOTIFICATION**

No. DG (KP FS&HFA)/Admin/03/17. In exercise of the powers conferred by section 51 of the Khyber Pakhtunkhwa Food Safety and Halal Food Authority Act, 2014 (KP Act No. X of 2014), read with sections 40 and 43 thereof, the Food Safety and Halal Food Authority is pleased to make the following regulations, namely:-

**The Khyber Pakhtunkhwa Food Safety and Halal Food Authority (Financial and Audit) Regulations, 2017.**

**1. Short title and commencement** :- (1) These regulations may be called the Khyber Pakhtunkhwa Food Safety and Halal Food Authority (Financial and Audit) Regulations, 2017.

(2) These regulations shall come into force at once.

**2. Definitions.**- (1) In these regulations, unless there is anything repugnant in the subject or context,-

(a) "Act" means the Khyber Pakhtunkhwa Food Safety and Halal Food Authority Act, 2014 (KP Act No. X of 2014);

(b) "Authority" means the Khyber Pakhtunkhwa Food Safety and Halal Food Authority;

(c) "accounts" means the accounts of the Authority as may be maintained for any fiscal year as envisaged under section 42;

(d) "appropriation" means an appropriation of Fund so made by the Authority in its budgetary sanctions for and in any fiscal year to meet its requirement from among its income and expenditure as may accrue in that year;

(e) "bank" means a schedule bank approved by the Authority for deposit of Fund and operation of an account;

- (f) "budget" means a budget allocation of the Authority for any fiscal year as may be prepared and passed as envisaged under section 41;
- (g) "Departmental Accounts Committee" means Departmental Accounts Committee constituted by the Authority;
- (h) "Director" include the Director, the Deputy Director or the Assistant Director appointed by the Authority;
- (i) "expenditure" means the expenditure, capital or recurring, which is incurred by the Authority at one time or at periodic intervals for meeting its operational expenses;
- (j) "financial year" means the financial year beginning from July and ending in June of the following year;
- (k) "Fund" means the Fund of the Authority established, administered and controlled by it under section 40;
- (l) "re-appropriation" means the appropriation of Funds made during any n as per Accounting Standards;

(2) The words and phrases used but not defined herein shall have the same meaning as have been assigned to it in the Act.

**3. Administration of Fund.-** (1) The Fund established by an Authority under section 40 shall to be controlled and administered by it which shall, inter alia, consist of the following:

- (a) Funds provided by the Government or the Federal Government;
- (b) loans or grants by the Government or the Federal Government;
- (c) other loans or funds obtained by the Authority;
- (d) grants and loans negotiated and raised, or otherwise obtained, by the Authority with the prior approval of the Government;
- (e) fee, charges, rentals and fines collected by the Authority;
- (f) income from the lease or sale of the property;
- (g) funds from floating bonds, shares, debentures, certificates, or other securities issued by the Authority; and
- (h) all other sums received by the Authority.

(2) The Fund shall be operated in accordance with the Act, rules and regulations and, such directions and instructions issued by the Authority not inconsistent therewith

(3) All monies contributed or credited into the Fund shall be deposited in a scheduled bank as may be approved by the Authority under clause (d) of sub-regulation 1 of regulation 2.

(4) The Bank account pertaining to the Fund shall be jointly operated by the Director General and Director Finance of the Authority.

(5) The expenditure incurred on account of any emergency or exigency by the Director General shall be scrutinized and approved by the Development Committee constituted for the purpose within ninety days of the end of an emergency or exigency by the Authority consisting of not less than two of its members which shall submit its report to the Authority within such time as may be stipulated for the assignment.

(6) The resident auditor of the Authority shall pre-audit expenditures channeled through the normal budgetary mode.

**4. Disbursement.-** (1) The fund shall be utilized for smooth and efficient functioning of the Authority as envisaged under the Act.

(2) No money can be drawn from the account, unless authorized against the budgetary allocations under development projects or approved towards recurring heads of expenditure for the Authority programs.

(3) The Authority or the Director General, as the case may be, shall approve allocation of funds for development and recurring needs of the other offices of the Authority established in various districts of Khyber Pakhtunkhwa out of the Fund.

(4) In case of any emergency or exigency expenditure, the Director General shall have the full powers as of Head of Administrative Department delegated under Khyber Pakhtunkhwa Delegation of Financial Powers Rules subject to availability of sufficient funds and approval thereof by the Authority.

**5. Preparation of the annual budget.-**

(1) The annual budget of the Authority including all its offices shall be prepared by the Director Finance of the Authority or any officer authorized in this behalf for each financial year under the supervision of the Director General who shall scrutinize it, where after, it shall be presented before the Authority for its passage.

(2) The Director General shall, subject to approval of the Authority, have powers as Head of the Administrative Department as may be delegated by the Government under Khyber

Pakhtunkhwa Delegation of Financial Power Rules regarding creation, abolishing, up-gradation and re-designation of any post in the Authority.

(3) The Director General shall be authorized under the Rules specified in sub-regulation (2) to approve expenditure beyond the amount so allocated under a particular head exceeding the budgetary provision, by re-appropriation as provided there under.

**6. Financial Powers under the Act.** - (1) Subject to Act, rules and regulations, the Director General shall exercise all the financial powers as the Head of an Administrative Department as provided under Khyber Pakhtunkhwa Delegation of Financial Power Rules or such powers which have been delegated to him by the Authority from time to time, who shall act as the Principle Accounting Officer (PAO) of the Authority.

(2) Unless, otherwise indicated specially in the order conveying sanction, a sanction issued by the Director General shall have effect from the date of an order conveying sanction:

Provided that where any fresh sanction is issued but not acted upon for a year, it shall deem to have lapsed, unless it is specially renewed.

(4) The sanctioning authority as stipulated in these regulations may delegate all or any of its powers to any officer not below the rank of a Director of the Authority not otherwise delegate upon him.

(5) The Director Finance may sanction and incur an expenditure on repair and maintenance of equipment and vehicles or other necessary items up to an approved limit for that category of officer under the Authority.

**7. System of Accounts and its Administration.** - (1) The accounts of the Authority shall be maintained in accordance with accounting procedure as may be approved from time to time.

(2) All accounts of the Authority shall be maintained through operation of e bank accounts which may include for employee's salaries and funds e.g. Pension, General Provident Fund, Benevolent Fund, Gratuity Fund, Projects and Program executed by the Authority.

(3) All receipts and payments of the Authority shall be reconciled with the bank regularly.

**8. General rules covering receipts, expenditures, defalcation and write-off of losses:**



(1) All sums payable to the Authority shall be deposited either directly in its proper account in the designated bank or through bank draft delivered to the Director Finance or any of its officers so authorized in this behalf.

(2) All moneys received in the Authority's office shall be acknowledged through system generated receipt so prescribed issued under the signature of any authorized officer in this behalf.

(3) All transaction to which any employee in his official capacity is a party to any proceeds, reservation may be recorded in general cash book and other subsidiary registers under the signature of the Director Finance.

(4) The Funds, subject to regulation 3, shall be deposited in the bank approved for the purpose by the Authority.

(5) Any person having a claim against the Authority shall present a voucher in ink in the prescribed form, duly receipted and stamped.

(6) All bills presented for payment shall be examined by the assistant Director Budget & Accounts or any other authorized officials on this behalf.

(7) After scrutiny under sub-regulation (6), if it appears that the claim is admissible and covered under approved budgetary head and payable by the Authority, an order to pay on the bill and submit it for the signature of the Director Finance specifying the amount payable both in words and figures.

(8) Fractions of rupees less than fifty paise's shall be ignored and these equal to or above fifty paise's shall be rounded off to the nearest rupee, while making payment of bills.

(9) Payment shall ordinary be made through crossed cheques or bank transfer letter.

(10) The cheque books shall be kept under lock and key and in the personal custody of the authorized officer. All the cheques in new cheque books shall be counted and certificate to that effect shall be recorded by the Director Finance.

(11) When cheque is cancelled, the fact of the cancelation shall be recorded on the counterfoil of the cheque, and also across the payment order on the bill or voucher and necessary reversal entry recorded in the Register.

(12) Cancelled cheque shall be carefully preserved until the accounts for the period have been audited which shall be destroyed by the auditor who shall certify on the counterfoil of the cheque has been destroyed.

(13) If a cheque is cancelled before the general cash book is closed for the day of issue, the entries in the cash book and any other register in which the item may have been posted shall be struck out in red ink under the initials of the Director Finance and shall be adjusted by minus entries in the registers in which the transaction may have been so entered.

(14) If a cheque is lost or destroyed, an intimation to that effect shall be given at once to the bank and its payment shall be stopped and as result whereof if a fresh cheque is issued, its number and date shall be quoted against the original entries in the relevant register and note shall be made on the counterfoil specifying as to the issuance of fresh cheque in lieu of cheque so destroyed specifying its number and date.

(15) When any defalcation or loss of money or property is caused to the Authority or discovered at any time, as the case be, an enquiry shall be initiated at once by the Director Finance intimating thereby the Director General to that effect and shall, on completion of an enquiry, submit its report to him stating the step taken to recover the loss:

Provided that where no responsibility or accountability can be fixed for recovery of such defalcation or loss and if any such amount does not exceed one hundred thousand, the Director General or the Authority in every other case, may write off any amount so embezzled or pass any order it may deem fit under the circumstances of the case.

(16) All advances paid by the Authority shall be recorded in the register of demand, and the Assistant Director, Budget and Accounts, and the Director Finance shall see that proper recoveries are made.

(17) At the end of each month, the monthly accounts shall be compiled and reconciled with the bank accounts and with respect thereto, the bank reconciliation statement shall be prepared accordingly.

(18) All items of receipts and expenditure recorded in the cash book shall be carried over to the relevant classified ledgers of income and expenditure.

(19) All vouchers shall be numbered serially and filed in a separate file or folder for each month.

(20) For urgent petty expenditure, various officers may be allowed imprest money or ready cash as may be granted by the Director General.

**9. Audit of accounts of the Authority.-** (1) The accounts of the Authority shall be audited by the Auditor General of Pakistan.

(2) The Authority shall, in addition to an audit under sub-regulation (1), conduct pre-audit by the resident auditor so appointed for the purpose and no expenditure shall be made from the funds, unless the bills for payment has been pre-audited by the resident auditor.

(3) The resident auditor shall be under the direct supervision of the Director General and shall be responsible for-

(a) the entire audit related business of the Authority including audit observation on appropriation of accounts and compiling of audit reports, and compliance with the instructions or directives of the Director General so given by him from time to time, including preparation of necessary briefs for Public Accounts Committee and Departmental Account Committee and attend such Committees assisting the Director General.

(b) tender advice to the Director General for compliance , where applicable, of rules. such as the Government Financial Rules, the Fundamental Rules (FR), the Supplementary Rules (SR), the Treasury Rules (TR) and the regulations, instructions and orders issued by the Finance Department, Government of Khyber Pakhtunkhwa, from time to time.

(4) The resident auditor shall, in addition to his services under this regulation, audit all receipts and expenditures, and shall conduct or perform the following tasks, namely:-

- (a) audit all receipts and expenditures in accordance with the approved standard of audit contained in Audit manual of the Auditor General of Pakistan and commercial accounting manuals;
- (b) audit of salary claims;
- (c) pay-fixation and variation of pay fixation of employees of the Authority;
- (d) verification of service and leave account of employees of the Authority;
- (e) pre-audit of routine contingencies claims;
- (f) release of development grants to other districts of the Authority; and
- (g) any other assignment as may be specifically given by the Director General.

(5) At the close of the every financial year, the books of accounts shall be closed and reconciled and the following annual statement of accounts shall be prepared and submitted to the Authority for approval, namely: -

- (a) Income and expenditure statement;
- (b) balance sheet;
- (c) statement of assets and liabilities; and
- (d) notes to the financial statements.

**10. Purchase of goods and services.-** (1) The KPPRA Rules, 2014, as amended from time to time shall be followed by the Authority for the purchase of goods and services and the Director

General shall ensure its application in so far as it is not incompatible or inconsistent with the Act, rules or the regulations made there under.

(2) No capital expenditure shall be incurred or order without sanctioning approval of the Director General and inviting quotation or tender, as the case may be, in each such case.

(3) In case of any emergency purchase, these or any other regulations may be relaxed by the Director General in according with the provision of KPPRA Rues, 2014, and subject to approval of the Authority.

(4) For all contracts, a formal agreement on stamped paper shall be executed between the Director General and the contractor or the supplier.

(5) Before any payment is made, the Director Finance, resident auditor or any authorized officer in this behalf shall certify that the work has been completed, whereupon, the Director General may sanction the expenditure and the payment shall be made and penalty, if any, shall be imposed in accordance with the terms of the contract.

(6) The Authority may condone any delay authorizing the Director General to act upon and allow up to the maximum period of thirty days, whereas, the Director Finance shall upon where the period is not more than fifteen days.

(7) Stock registration.- All material purchased shall be examined, counted and entered in the register by the Deputy Director Finance or the Assistant Director Finance or any authorized officer in its behalf who shall certify that the material actually received is qualitative and is in good/satisfactory condition otherwise-

(a) there shall be a committee constituted by the Authority that shall conduct physical verification of the balance of the stock and stationery articles at the close of every year and record such certificate in the relevant registers; and

(b) unless otherwise provided under these regulations all un-serviceable articles shall be written off/ auctioned under the orders of the Director General.

**11. General guidelines for contract.-** (1) No contract may be enter into any subordinate authority which has not been either authorized to do so by or under the orders of the Director General.

(2) Legal advice shall be taken by the legal wing of the Authority in drafting of every contract before they are finally entered into a formal contract by the Authority.



(3) Standard forms of contract shall be adopted where ever available, and the terms subject to adequate prior scrutiny and change, if any, shall be made by the legal wing of the Authority.

(4) Terms of contract once entered into shall not be materially varied or altered without the prior consent of the Authority.

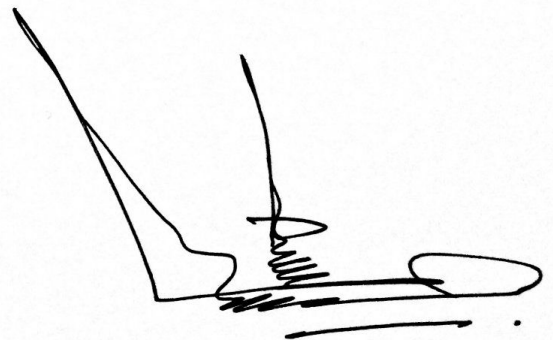
(5) No contract involving an uncertain or indefinite liability or any condition of an unusual character shall not be entered into without the previous consent of the Director General.

(6) Provision shall be made in contracts for safeguarding the interests of the Authority.

(5) When a contract is likely to endure for a period of more then 5 years, it shall, wherever feasible, include a provision for an unconditional power or revocation or cancellation by the Director General at any time on the expiry of six month notice to that effect and prior to such revocation or cancellation of the contract, legal advice may be obtained from the legal wing of the Authority.

**12. Overriding effect relaxation to these regulations.-** Notwithstanding anything contrary contained in these regulations, the Authority shall in exceptional cases and for reasons to be recorded in writing, relax any of these regulations for removal of difficulties also otherwise experienced in the smooth and efficient functioning of the Authority:

Provided that where these and other regulations of the Authority are silent, the Authority shall apply the Government rules, mutatis mutandis, and apply to such financial aspects for which or wherever these regulations are required to be relaxed.



**DIRECTOR GENERAL  
KHYBER PAKHTUNKHWA  
FOOD SAFETY AND HALAL FOOD AUTHORITY**