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Budgets Analysis

Town III Peshawar District

From FY 2010-2011 to FY 2012-2013



Centre for Governance and Public Accountability (CGPA)
March 2013

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Acronyms

BCA	Building Code Act
CGPA	Centre for Governance and Public Accountability
EEB	Estimated Expenditure Budget
ERB	Estimated Revenue Budget
FY	Financial FY
KP	Khyber Pakhtunkhwa
KPLGA	Khyber Pakhtunkhwa Local Government Act 2012
LGO	Local Government Ordinance 2001
REB	Revised Expenditure Budget
RRB	Revised Revenue Budget
TMO	Town Municipal Office
TOR	Town Officer Regulations
TO (I)	Town Officer Infrastructure
TOF	Town Officer Finance
UTC	University Town Committee

Methodology

Accessing Budget Books

Centre for Governance and Public Accountability (CGPA) officials started visiting to town III, Town Municipal Administration (TMA) Office, Peshawar District, in December 2012, for accessing town III budget books. However, such visits proved to be futile, as administrator of town III flatly refused to provide budget books. After one month of hard struggle, the budget books were received.

Target Sectors

This study analyses the trend of revenue generation from various sources (own sources and provincial divisible pool), and allocation of budget to various departments of TMA, Town III of Peshawar Districts. These departments include Nazim Office, Naib Nazim Office, Town Municipal Administrator, Town Office Finance (TOF), Town Office Infrastructure (TOI), town office Planning (TOP, Sanitation department, water supply department, and street light department. Furthermore, the analysis also depicts trends in allocation in terms of establishment charges, development budget, contingency charges, and charged expenditure.

Demystification of Budget Books

One of the main thrust areas of this analysis is to demystify the complex terminologies used in budget books, and to explain in common parlance the trend of allocation public tax money for municipal services.

Other Considerations

This analysis also takes into consideration level of citizens' engagement and participation, gender consideration in budget making and utilization processes.

Fiscal Years for the Trend Analysis

The study takes into consideration budgets estimates and revised budget estimates (both revenue and expenditure) for Fiscal Year (FY) 2010-2011, and FY 2011-2012. While for FY 2012-2013, only estimated budgets are taken into consideration, as the revised estimates for FY 2012-2013 were not available during this analysis.

Scope of this Analysis

This analysis is aimed at strengthening civil society role in budget accountability and transparency. The findings will be shared with civil society groups, activists, journalists, and community members. The study can be used by civil society groups and activists for their budget advocacy initiatives. The study will provide an effective tool for citizens to articulate their demand for pro-poor, transparent and accountable, and gender sensitive budgeting process.

Budgets of Town III at Glance

1) Total Revenue and Expenditure of Town III Municipal Administration and University Town Committee, Peshawar District

The Estimated Revenue Budget (ERB) of the Town III Municipal Administration was RS248.31 million in Financial Year (FY) 2010-2011 and Revised Revenue Budget (RRB) was RS251.19 million in FY 2010-2011. In FY 2011-2012 the ERB was RS373.73 million in 2012-2013 which was revised to RS 313.13 million and for the FY 2012-2013 the ERB was RS397.76 million.

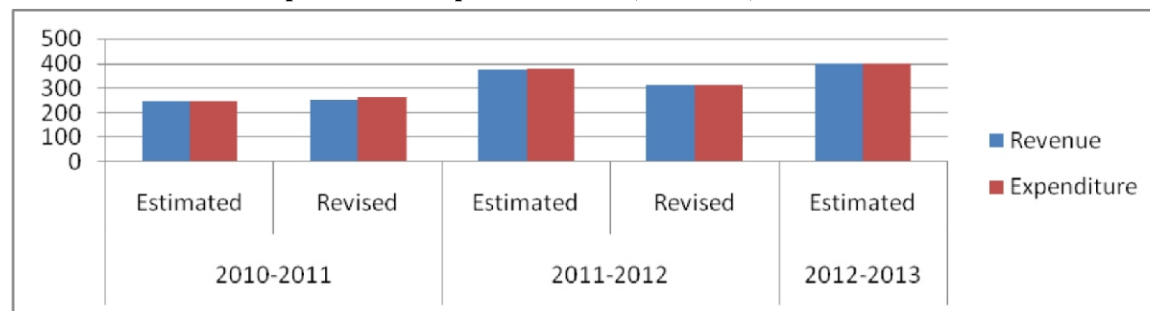
The Estimated Expenditure Budget (EEB) of town III of Peshawar district in FY 2010-2011 was Rs: 247.11 million, which was revised to RS260.9 Million. For the FY 2011-2012 the estimated expenditure was RS376.35 million and revised 314.24 and in FY 2012-2013 the estimated expenditure was Rs: 400.82.

Table 1: Revenue & Expenditure Comparison of TMA, Town III, from FY 2010 -2011 to 2012-2013.

	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Revenue	248.31	251.19	373.73	313.13	397.76
Expenditure	247.11	260.9	376.35	314.24	400.82

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Charts 1: Revenue & Expenditure Comparison of TMA, Town III, from FY 2010-2011 to FY2012-2013



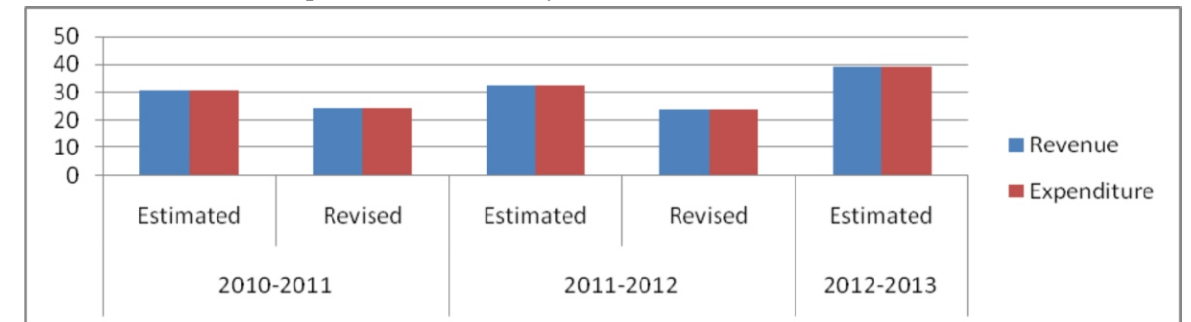
In FY 2010-2011, the ERB and RRB of the University Town Committee (UTC) was RS 30.67 million and RS 24.34 million respectively. In FY 2011-2012 the ERB was RS32.43 million and RRB was 23.5 million, while in FY 2012-2013, ERB was RS39.15 Million. And Estimated Expenditure in FY 2010-2011 was RS30.85 million and revised expenditure budget was RS24.01 million. In FY 2011-2012, the EEB was RS32.6 million and RRB was RS 23.86 million. In FY 2012-2013, the EEB was RS39.15 million.

Table 2: Total Revenue and Expenditure of University Town Committee (PKR in Million)

	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Revenue	30.67	24.34	32.43	23.5	39.15
Expenditure	30.85	24.01	32.5	23.86	39.15

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Chart 2: Revenue & Expenditure of University Town Committee



In FY 2010-2011, the total ERB of Town III of both Municipal Administration Town III and University Town Committee (UTC) was RS 278.98 million while total RRB was RS 275.53 million. In FY 2011-2012, the ERB of Town III and UTC was RS 406.17 million which was revised to RS336.63 million. For FY 2012-2013, the estimated revenue of the Town III & UTC was RS 436.91 million.

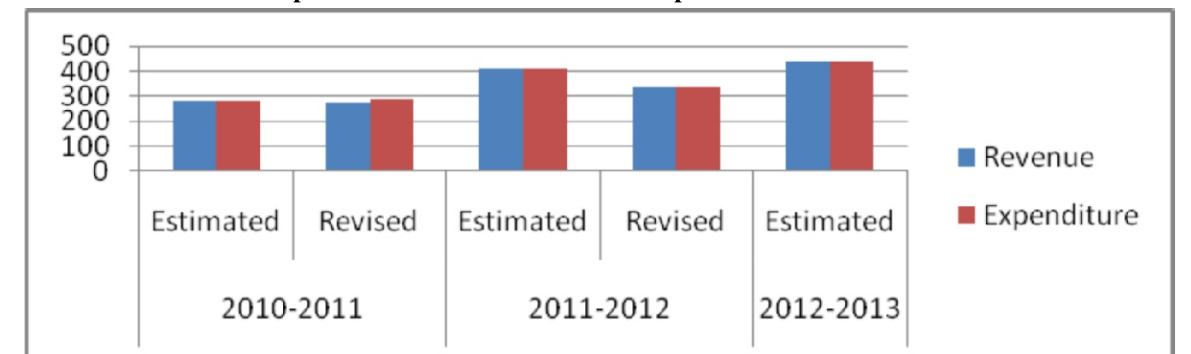
And the estimated expenditure of Town III & UTC for the FY 2010-2011 was RS 277.96 million and revised expenditure was RS 284.91 million. In FY 2011-2012, the estimated expenditure of Town III & UTC was RS 408.85 million and revised expenditure in the same FY was RS 338.10 million. In FY 2012-2013, the estimated expenditure for the Town III & UTC was RS 439.97 million.

Table 3: Revenue & Expenditure of Both Town III Municipal Administration and UTC (PKR in Million)

	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Revenue	278.98	275.53	406.17	336.63	436.91
Expenditure	277.96	284.91	408.85	338.10	439.97

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Chart 3: Revenue & Expenditure of Both Town III Municipal Administration & UTC



1. Revenue Budget Analysis of Town III, District Peshawar

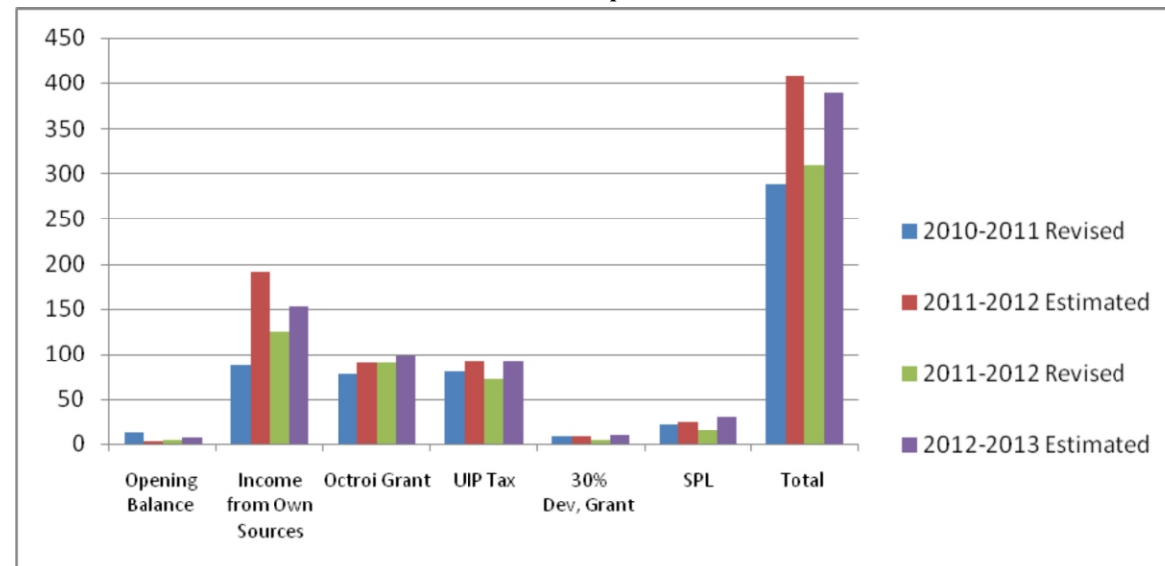
This chapter analyses the main revenue sources of town municipal administration, town III, Peshawar District. The chapter also analyses revenue targets for the fiscal years under consideration, and main sources of revenue to meet these targets.

Table 4: Main Sources of Income of Town III Municipal Administration (PKR in Million)

FY s	Opening Balance		Income From Own Sources		Octroi Grant		UIP Tax		30% Dev; Grant		SPL;		Total	
	Estimated	Revised	Estimated	Revised	Estimated	Revised	Estimated	Revised	Estimated	Revised	Estimated	Revised	Estimated	Revised
2010-2011		12.3		87.1		77.97		79.94		8.36		22.08		287.75
2011-2012	2.70	4.26	190.62	123.97	89.67	89.63	92.0	71.59	8.36	4.18	25.5	15.0	408.85	308.63
2012-2013	6.05		152.81		98.64		92.0		9.20		30.0		388.7	

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Chart 4: Main Sources of Income of Town III Municipal Administration



The table depicts that the main sources of revenue of town III is income from own sources, followed by Octroi grant and Urban Immovable Property (UIP) tax. In FY 2010-2011, the town administration collected more revenue than estimated, while in FY 2011-2012, the revenue target was missed by 25%. The revenue collection from own sources in 2011-2012 was RS 123.97 million, which was estimated to be RS 190.61 million. Similarly, in the target of UIP tax was missed by RS 20.41 million.

The immovable property tax is increased over the years, as depicted in **Table 5**, from RS 30.5 million to RS 41.0 million, the license fee increased on food/drinks and dangerous trade from RS 1.2 million to RS 2.3 million, the water rate charges has increased from RS 13.0 million in FY 2010-2011 to RS 23 million in FY 2012-2013.

Table 5: Comparative Analysis of Income Sources of TMA, Town III, (PKR in Million)

Main Sources	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Own Sources(Local Fund)	-	-	-	-	-
Immovable Property Tax	30.5	30.7	35.4	35.48	41.0
License Fee (Food/Drinks)	1.2	1.08	2.3	1.30	2.3
License Fee (Dangerous Trade)					
Building Plan	11.0	6.5	10.0	10.0	11.5
Fines/Palenties	0.20	1.2	1.5	0.42	1.0
Water Rate Charges	13.0	7.95	20.0	18.23	23.0
Sale Of Animal(Cattle Fair at Palosi & Sarband)	0.40	0.35	0.40	0.40	0.45
Fair Exhibition & Other Public Events	0.20	0.10	0.20	0	0.20
Enlistment Of Contractors	0.05	0.05	0.10	0.064	0.20
Renewal Of Registration / Enlistment Fee	0.05	0.15	0.20	0	0.20
Tender Fee	0.15	0.05	0.20	0.17	0.50
Sign Boards/Advertisements Fee	0.10	0.25	0.40	0.35	0.50
Machinery Fee (Road Roller Charges etc.)	0.20	0.10	0.20	0	0.20
Parking Fee Of Nasir Bagh, etc.	0.10	0.15	0.10	0.10	0.12
Miscellaneous (Un-classified receipts)	0.20	3.5	2.0	5.8	3.0
Interest On Investment	0.50	1.0	1.0	1.15	1.5
Staff Salary From Tax Contractors	1.5	0.74	22.5	0.9	3.0
Parking Fee / Tehbazari	0.5	0.23	0.3	0.6	0.36
Load/Unload, Entry Transit Fee	0	8.72	50.0	47.68	57.5
Load/Unload Fee Other Area	0	0	10.0	0.24	3.0
Slaughter House Fee	0	0	1.0	0.30	0.50
Conservancy Charges	0	0	0.30	0.3	0.50
Malbaa Fees	0	0	0	0.65	1.0
Rent Of Cabins / Shops	0	0	0	0	1.0
Teh Bazari Nouthia	0	0	0	0	0.21
Teh Bazari Custom Chowk Other Area	0	0	0	0	0.06
Income From Provincial Government					
Octrai Share	77.97	77.97	89.67	89.63	98.64
PFC Grant(30 % ADP Share)	8.36	8.36	8.36	4.2	9.20
Operational Grant	22.12	22.08	25.50	8.75	15.10
UIP Tax	60.0	79.94	92.0	71.6	92.0

Main Sources	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Additional Grant From Provincial Government	20.0	0	0	15.0	30.0
Total	248.3	251.17	373.63	313.314	397.74

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Table 6: Detail of Income Sources of University Town Committee (PKR in Million)

Main Sources	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Immoveable Property Tax	15	17	25.70	20.50	34.0
Bank Profit Interest on Investment	0.2	0.0015	0.10	0.005	0.01
Conservancy Charges	1.6	0.56	1.527	0.234	0
Street light fees	2	1.10	0	0.250	0
Irrigation water					
Surcharge					
Graveyard					
Misc					
Fee food & Drink	0.075	0	0	0	0
Sanitation charges	0.40	0.51	0	0.012	0
Water charges	6.50	4.10	0	0.1115	0
Water connection fees	0.10	0.055	0.1	0.02	0.1
Water tanker charges	1.0	0.60	0.8	0.52	0.8
Sewerage charges	0.20	0.070	0.1	0.079	0.1
Rent of land / pump	3.0	0.16	3.24	1.07	3.0
Club reservation fees	0.10	0.025	0.1	0	0.05
Road cutting charges	0.10	0.025	0.1	0.046	0.05
Coping fee	0.050	0.005	0.05	0.0020	0.005
Sale of trees	0.10	0	0.2	0	0.05
Squash court fees	0.25	0.135	0.25	0.077	0.1
Joking track amount	0	0	0.05	0.045	0.05
Rent from store shops	0	0	0.12	0.118	0.12
Rent of sports complex (Ladies Club)	0	0	0	0.38	0.72
Total	30.675	24.3465	32.437	23.4695	39.155

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

2. Expenditure Analysis of Town III, District Peshawar

The budget is allocated in four major heads. 1) Establishment Charged, 2) Contingencies, 3) Charged Expenditure, 4) Development Expenditure.

The Establishment Charged allocation include the salaries and allowances of the staff, office utilities of all the Departments further explained later in tables as well as Theoretically. The fund allocated for all the departments of establishment for 3 FY mentioned below in the **Table:7** The Estimated establishment charges for the FY 2010-2011 was RS171.1 million and revised budget in FY 2010-2011 was RS157.6 million, for the FY 2011-2012 the estimated establishment charges was RS226.4 million and revised budget in FY 2011-2012 was RS199.8 million. For the FY 2012-2013, the estimated establishment charges budget was RS 293.83 million.

The budget allocated for contingencies for the three fiscal years mentioned below in the **Table 7**. The estimated budget allocated for contingencies was RS 53.82 million in FY 2010- 2011 and the revised budget allocation was RS 82.75 million. In FY 2011-2012 estimated budget allocation was RS 122.45 million and revised budget allocation was RS 82.78 million, and in FY 2012-2013, estimated budget allocation for contingencies was RS78.6 million. However, contingencies budget details are not available in budget books.

The details of budget allocated for charged expenditures are mentioned below in the **Table 7**. The estimated and revised budget allocation was RS 15.3 million and RS 21.99 million respectively in FY 2010-2011. In FY 2011-2012, the estimated charged expenditure budget was RS 25.11 million and revised expenditure budget was RS 21.35 million. In FY 2012-2013, the estimated charged expenditure was RS 31.61 million.

In 2010-2011, the estimated budget for development expenditure was RS 36.87 million and revised budget allocation RS 22.53 million. In FY 2011-2012, the estimated development expenditure was RS 34.87 million and revised budget allocation was RS 34.2 million. In FY 2012-2013 the estimated development expenditure was RS 35.93 million.

Table 7: Main Heads for Allocating Budget for Town 111 Municipal Administration and UTC (PKR in Million)

Main Heads	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Establishment Charged	171.16	157.6	226.4	199.8	293.83
Contingencies	53.82	82.75	122.45	82.78	78.6
Charged Expenditure	15.3	21.99	25.11	21.35	31.61
Development Expenditure	36.9	22.53	34.87	34.2	35.93
Total	277.18	284.87	408.83	338.13	439.97

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Chart 5: Main Heads for Allocating Budget for Town III Municipal Administration & UTC

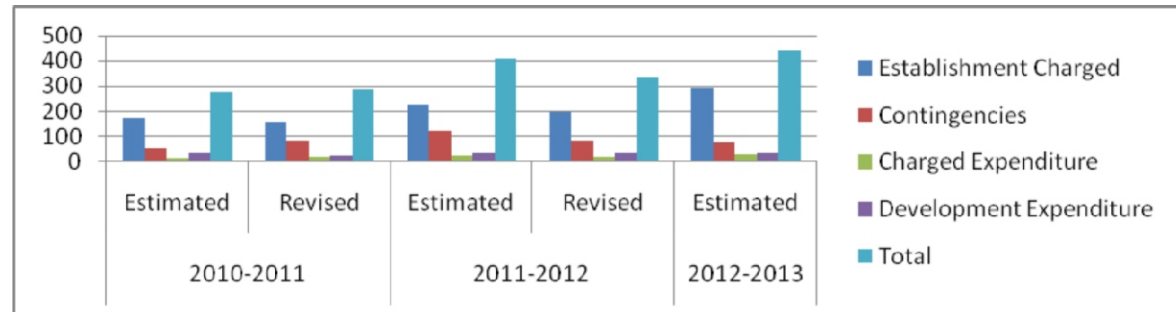
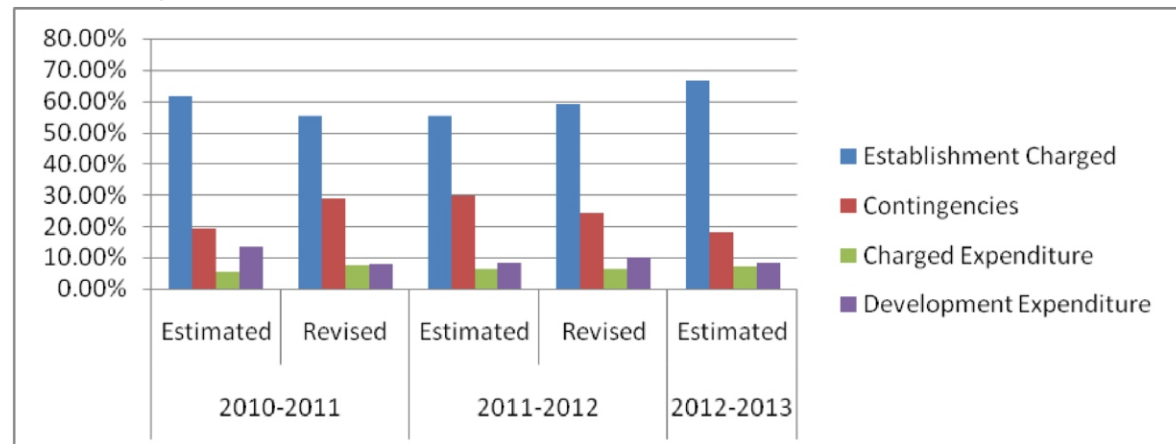


Table 8: Percentage Allocation of Budget for Town 111 Municipal Administration + UTC vis-à-vis Total Budget

Main Heads	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Establishment Charged	61.6 %	55.3 %	55.4 %	59.1 %	66.8 %
Contingencies	19.4 %	29 %	29.9 %	24.5 %	17.9 %
Charged Expenditure	5.5 %	7.7 %	6.1 %	6.3 %	7.2 %
Development Expenditure	13.3 %	7.9 %	8.5 %	10.1 %	8.2 %

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Chart 5: Percentage Allocation of Budget for Town III Municipal Administration + UTC vis-à-vis Total Budget



This analysis depicts that the establishment charges in the budget eats up major chunk of the budget, followed by contingencies, and expenditure cost.

In the financial FY 2010-2011 the estimated establishment allocation of the fund is 61.6% of the total budget of town III Municipal Administration of Peshawar district and revised establishment charges came down to 55.3% of the total budget. In FY 2011-2012, the estimated expenditure for the establishment was 55.40% and revised to 59.1 % of the total budget. In FY 2012-2013 the estimated expenditure for the establishment is 66.8%.

In the FY 2010-2011, the estimated fund allocated for contingencies was 19.4 % and revised 29% of the total budget, for the FY 2011 – 2012 the estimated fund allocated for the contingencies are 29.9% and revised 24.5% of the total budget, and for the FY 2012-2013 the estimated budget allocated for the contingencies are 17.9% of the total budget.

In FY 2010-2011, the estimated charged expenditure and revised charged expenditure were 5.50% and 7.72% of the total budget. In FY 2011-2012, the estimated charged expenditure was 6.1% and revised charged expenditure was 6.31% of the total budget, In FY 2012-2013 the estimated charged expenditure was 7.2% of the total budget.

In FY 2010-2011, the estimated development expenditure was 13.3% and revised development expenditure was 7.91% of the total budget. In FY 2011-2012, the estimated development expenditure was 8.53% and revised development expenditure was 10.10% of the total town III expenditure budget. In FY 2012-2013, the estimated development expenditure stood at 8.2% of the total town III budget.

So trend depicts that establishment charges eats up most of III budgets, followed by contingency expenditure. It appears that development expenditure is a low priority for administration of town III. The details of contingency expenditure are not available in the budget books of Town III.

2.1 Department wise Allocation, Comparative Analysis

Department responsible for Sanitation is the main expenditure head of expenditure budget, and there is great incremental increase, RS 78.36 million in FY 2010-2011 to RS 128.64 in FY 2012-2013. Sanitation department is followed by water supply department budget, which has also increased from RS 64.88 million in FY 2010-2011 to RS 97.82 million in 2012-2013.

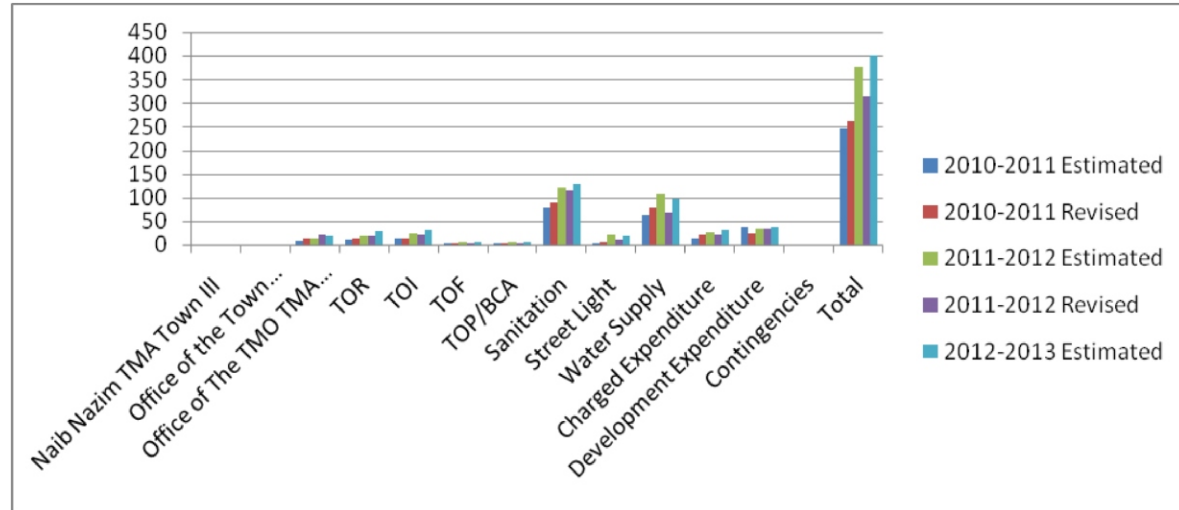
Development budget was only RS 35.93 million of the total budget RS 400.8 million in FY 2012-2013. The expenditure budget does not provide any details of the contingency cost, though it is the second main expenditure head after the establishment cost.

Table 9: Budget allocation for different Departments of Town III Municipal Administration (PKR in Million)

Main Departments	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Naib Nazim TMA Town III	1.34	0.0721	0.065	0	0.065
Office of the Town Administrator TMA Town III	2.085	0.25	0.095	0	0.095
Office of The TMO TMA Town III	10.25	13.09	14.31	20.64	17.47
TOR	12.75	13.32	19.54	17.49	28.08
TOI	14.08	13.9	23.18	20.62	32.46
TOF	4.44	2.23	5.3	2.93	6.14
TOP/BCA	3.06	2.60	4.0	2.9	4.92
Sanitation	78.36	87.8	121.51	115.97	128.64
Street Light	3.73	4.01	19.84	9.81	17.57
Water Supply	64.88	79.11	108.52	68.40	97.82
Charged Expenditure	15.27	21.99	25.11	21.34	31.61
Development Expenditure	36.87	22.53	34.87	34.16	35.93
Contingencies					
Total	247.115	260.9021	376.34	314.26	400.8

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Chart 6: Budget Allocation for Different Departments of Town III Municipal Administration



Budget of Nazim and Naib Nazim Office, Town III

Local Body Elections held in August 2005, and members of local governments elected for four FY tenure. By 2010, there was no elected Nazim/Naib Nazim as 2005 was the last election under the Local Government Ordinance 2001 after 2005. However, the budget depicts expenditure in the honorarium of councilors, and repair of vehicle (where there is no allocation for fuel)

Table 10: Budget Allocation for Nazim (Mayor) Office Town Administration TMA Town III (PKR in Million)

Town Administration TMA TownIII	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Honoraria of Nazim	0.12	0	0.005	0	0.005
Pay to other staff	0.41	0.06	0.005	0	0.005
Regular Allowance	0.23	0.033	0.005	0	0.005
Other Allowance	0.42	0.057	0.005	0	0.005
Contingent Paid Staff	0.20	0	0.005	0	0.005
Medical Charges	0.05	0	0.005	0	0.005
Telephone Charges	0.08	0.002	0.005	0	0.005
Photography Charges	0.01	0.0005	0.005	0	0.005
Fuel (POL & CNG)	0.15	0	0.005	0	0.005
TA / DA	0.02	0	0.005	0	0.005
Stationary	0.02	0.0035	0.005	0	0.005
Conference / Seminar	0.05	0.0001	0.005	0	0.005
News Paper Charges	0.01	0.0035	0.005	0	0.005
Uniform & Clothing's	0.005	0	0.005	0	0.005
Expenditure incurred on meetings	0.05	0.003	0.005	0	0.005
Purchase of IT Equipment	0.02	0.0025	0.005	0	0.005
Purchase Of Furniture &	0.03	0.0035	0.005	0	0.005

Town Administration TMA TownIII	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Fixture					
Repair Of Vehicles	0.15	0.062	0.005	0	0.005
Purchase Of Tyre, Tubes	0.05	0.02	0.005	0	0.005
Total	3.785	0.7636	0.095	0	0.095

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Table 11: Budget Allocation for Naib Nazim (Deputy Mayor) TMA Town III (PKR in Million)

Naib Nazim TMA TownIII	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Honoraria of Naib Nazim	0.084	0	0.005	0	0.005
Pay Of other staff	0.28	0.005	0.005	0	0.005
Regular Allowance	0.23	0.005	0.005	0	0.005
Other Allowance	0.27	0.0165	0.005	0	0.005
Honoraria of Councilors (meetings)	0.10	0	0.005	0	0.005
TA / DA (Study Tour)	0.10	0	0.005	0	0.005
Telephone Charges	0.03	0.0011	0.005	0	0.005
Stationary	0.03	0	0.005	0	0.005
Medical Reimbursement	0.03	0	0.005	0	0.005
Council days (meeting)	0.03	0	0.005	0	0.005
News Paper Charges	0.005	0.0035	0.005	0	0.005
Fuel (POL & CNG)	0.10	0	0.005	0	0.005
Repair Of Vehicles	0.05	0.041	0.005	0	0.005
Total	1.329	0.0721	0.065	0	0.065

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Budget of Town Municipal Officer (TMO) Office

The fund allocated for the staff pay in 2010 -2011 was RS2.22 million and it's increased up to RS 4.83 million in FY 2012-2013. In the same period, regular allowance and other allowances also increased from RS 2.34 million to RS 2.52 million. The other allowances have no detail in the budget books. From 2010-2011 to 2012-2013, the telephone charges have increased from RS0.10 to RS0.20 million . Fuel charges also increased from RS0.50 to RS0.70 million in the same period. Misc. Expenditure is also mentioned in the budget of TMO TMA which has no detail.

There is also allocation for performance of Hujj. Whether tax money can be used for performing Hujj is another debate, but certainly this activity has nothing to do with improving service delivery to citizens. In the budget of the TMO for the FY 2010 -2011 for the Performance of Hajj an estimated fund mentioned RS0.476 million and revised RS0.48 million . Misc expenditure shows in the TMO Budget are for the FY 2010-2011, the estimated are RS0.30 million and revised are RS1.4 million , for the FY 2011-2012 the estimated Misc expenditure were RS0.30 million and revised miscellaneous expenditure were RS0.21 million and for the FY 2012 - 2013 the estimated misc expenditure were RS0.5 million . These misc expenditures have no detail in the budget books.

For purchase of furniture & fixture in the budget allocation of the TMO TMA are estimated for the FY 2010 - 2011 were RS0.02 million and revised budget for this budget head was RS0.132 million .

For the FY 2011 – 2012 the estimated were RS0.20 million and revised are RS0.276 million and for the FY 2012 – 2013 the estimated purchase of furniture & fixture are RS0.20 million .

Table 12: Budget Allocation for TMO TMA Town III (PKR in Million)

TMO TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay of Officers	0.23	0.43	0.70	0.65	0.45
Pay to Other Staff	2.22	2.83	3.7	5.70	4.83
Regular Allowance	1.92	2.4	2.14	4.48	2.82
Other Allowances	2.34	2.25	2	3.24	2.52
Overtime	0.10	0	0.20	0.38	0.40
Medical Charges	0.20	0.185	0.20	0.063	0.10
Leave Salary	0.05	0	0.02	0	0.02
Postage & Telegraph	0.10	0.0012	0.05	0	0.02
Gas Charges	0.05	0	0.005	0.038	0.06
Electric Bills	0.25	0	0.005	0.06	0.20
Telephone Charges	0.10	0.103	0.10	0.21	0.20
Photography Charges	0.02	0.005	0.005	0.0025	0.005
Hot & Cold Charges	0.10	0.062	0.10	0	0.05
Fuel (POL & CNG)	0.50	0.54	0.60	0.8	0.70
Renewal Of Licenses (Driving/Arms)	0.03	0.018	0.03	0.004	0.01
TA / DA	0.10	0.047	0.10	0	0.05
Stationary	0.20	0.21	0.25	0.213	0.21
News Paper Charges	0.015	0.015	0.015	0.0225	0.025
Uniform's & Clothing	0.010	0	0.010	0.010	0.010
Advertisement	0.30	0.665	0.70	1.044	1.0
Fair Exhibition & other National Days	0.04	0	0.02	0	0.01
Incentives / Awards / Bonuses	0.15	0.15	0.40	0.40	0.50
House Building Advance /Loan	0.002	0.09	0.60	0.8	0.50
Miscellaneous Expenditure	0.30	1.4	0.30	0.21	0.05
Performance of HAJJ	0.476	0.48	0.005	0	0.005
Purchase of IT Equipments	0.03	0.092	0.10	0.20	0.10
Other / Misc. Expenditure	0.10	0.54	0.005	0.052	0.05
Purchase of Furniture & Fixture	0.02	0.132	0.20	0.276	0.20
Repair Of Vehicles	0.10	0.301	0.35	0.554	0.40
Purchase of Other Assets	0.05	0.045	0.30	0.1	0.10
Office Rent / Office Building	0.005	0.0065	0.80	1.09	1.44
Purchase of tyres, tubes & Batteries	0.05	0.043	0.15	0	0.05
Donation of Other Sports Game	0.02	0	0.05	0	0.03
Burial Charges	0.04	0.08	0.10	0.04	0.05

TMO TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Purchase of Generator for Office	0	0	0	0	0.30
Total	10.218	13.1207	14.31	20.639	17.465

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Budget of Town Office Regulations (TOR)

The main expenditure heads under the TOR expenditure budget are pay and allowances. It increased from RS4.56 to RS8.421 million , which shows that the regular allowance of the staff increased from RS2.935 to RS5.64 million , other allowances also increased from RS4.65 to RS12.59 million , Hot & Cold charges are mentioned in the TOR budget allocation which is RS0.04 million estimated in 2010-2011 and Revised RS0.06 million, and RS0.08 million estimated in 2011- 2012 and then revised RS0, but again for the 2012 – 2013 the estimated Hot & Cold charges are RS0.05 million, so if the department are using these hot & cold on permanently basis then how it's zero for the revised 2011-2012. Fuel charges also increased from RS0.1 to RS0.75 million . Another main heading in FY 2011-2012 budget of TOR is purchase of Shahzor, for which RS 2 million was allocated. However, in the same budget line, RS 0.005 million is again allocated in 2013 estimated budget, which seems to be too low for the purchase of a Shahzor vehicle.

Table 13: Budget Allocation for TOR TMA Town III (PKR in Million)

TOR TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay of Officers	0.212	0.34	0.57	0.513	0.27
Pay to Other Staff	4.56	4.85	8.2	6.284	8.421
Regular Allowance	2.935	3.12	3.94	5.43	5.64
Other Allowances	4.65	4.23	3.84	4.19	12.6
Medical Charges	0.05	0.015	0.05	0	0.02
Leave Salary	0.02	0	0.02	0	0.02
Postage & Telegraph	0.01	0	0.005	0	0.005
Gas Charges	0.005	0	0.005	0	0
Electric Bills	0.005	0	0.005	0	0
Telephone Charges	0.02	0.02	0.02	0.026	0.03
Hot & Cold Charges	0.04	0.06	0.08	0	0.05
Fuel (POL & CNG)	0.1	0.498	0.5	0.767	0.75
TA / DA	0.02	0	0.01	0	0.01
Stationary	0.01	0.05	0.10	0.0832	0.085
News Paper Charges	0.01	0.015	0.015	0.016	0.016
Uniform's & Clothing	0.01	0.035	0.05	0	0.05
Purchase of IT Equipments	0.01	0.01	0.01	0.001	0.005
Purchase of Furniture & Fixture	0.02	0.015	0.02	0.004	0.01
Repair Of Vehicles	0.05	0.055	0.10	0.174	0.10
Purchase of Shahzore for Demolish Squad	0.005	0.002	2.0	0	0.005
Total	12.742	13.315	19.54	17.4882	28.087

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Budget of Town Office Infrastructure (TOI)

Like other department, TOI budget is also mostly consumed by salary and allowances of staff. As the **table 2.6** depicts, fund allocated for TOI TMO. Estimated budget for pay of officers for the 2010-2011 was RS0.944 million, revised to RS0.74 million. In FY 2011-2012, the estimated pay of officers was RS2.36 million and revised budget in the same FY was RS0.671 million. In 2012-2013 the estimated budget for the salary of officers was RS1.455 million.

The pay to other staff is also increased from RS3.95 million in FY 2010-2011 to RS11.42 million in FY 2012-2013. In the same period, the staff of the TOI increased from 79 to 146. Increase in the staff also increased the budget requirement for allowances. The regular allowance of the staff increased from RS3.50 million to RS6.40 million while other allowances increased from RS4.6 million to RS10.28 million in the same period.

Table 14: Budget Allocation for TOI TMA Town III (PKR in Million)

TOI TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay of Officers	0.944	0.74	2.36	0.671	1.455
Pay to Other Staff	3.95	4.55	8.27	7.26	11.42
Regular Allowance	3.50	3.65	4.46	6.12	6.40
Other Allowances	4.6	3.66	4.67	3.57	10.28
Overtime	0.1	0.05	1.5	0.8	0.8
Medical Charges	0.05	0.02	0.1	0.026	0.05
Leave Salary	0.02	0	0.02	0	0.01
Postage & Telegraph	0.01	0	0.01	0	0.005
Group insurance	0.01	0	0.01	0	0.01
Telephone Charges	0.08	0.035	0.05	0.12	0.12
Renewal Of Licenses	0.03	0.01	0.02	0	0.01
Fuel (POL & CNG)	0.5	0.6	0.6	1.085	1.0
TA / DA	0.05	0	0.02	0	0.01
Stationary	0.03	0	0.02	0	0.01
News Paper Charges	0.01	0.015	0.015	0.016	0.016
Purchase of IT Equipments	0.01	0.025	0.1	0.015	0.03
Other	0.01	0.005	0.01	0.075	0.08
Repair Of Vehicles	0.1	0.5	0.5	0.823	0.5
Purchase of Tyre, tubes & batteries	0.05	0.035	0.04	0.032	0.035
Maintenance of Parks & Garden	0.02	0	0.2	0	0.2
Purchase of Motor cycles	0.002	0	0.2	0	0.005
Total	14.076	13.895	23.175	20.613	32.446

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Budget of Town Office Finance (TOF)

For the town officer Finance Office, the major portion of allocated budget is consumed under the pay and allowances heads. As the table below depicts, from FY 2010-2011 to 2012-2013, the pay of the

officers increased from RS0.095 million to RS0.131 million and Pay of other staff also increased from RS0.65 million to RS 1.164 million.

The regular allowance and other allowances also depicts increased from RS1.10 million to RS1.20 million, and RS 1.49 million to RS 2.12 million in the same period. The misc expenditure is mentioned in the TOF budget which have no detail in the budget books and it's also increased from RS0.05 million to RS0.062 million.

Table 15: Budget Allocation for TOF TMA Town III (PKR in Million)

TOF TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay of Officers	0.519	0.095	0.869	0.131	0.678
Pay to Other Staff	1.032	0.65	1.68	1.164	1.81
Regular Allowance	1.10	0.56	1.247	0.785	1.20
Other Allowances	1.49	0.715	1.09	0.59	2.12
Medical Charges	0.02	0.005	0.05	0.0085	0.02
Leave Salary	0.02	0	0.015	0	0.01
Telephone Charges	0.05	0.06	0.06	0.0485	0.05
Fuel (POL & CNG)	0.03	0	0.03	0	0.02
TA / DA / Hire Charges	0.03	0.015	0.03	0.033	0.035
Stationary	0.02	0.01	0.02	0.0037	0.01
Printing / Publication	0.02	0	0.05	0.024	0.025
News Paper Charges	0.01	0.015	0.015	0.016	0.016
Tyre, Tubes & Batteries	0.02	0	0.01	0	0.005
Purchase of IT Equipments	0.02	0.05	0.05	0.061	0.065
Purchase of Furniture & Fixture	0.01	0	0.005	0	0.005
Repair Of Vehicles	0.02	0	0.005	0	0.005
Repair of IT Equipments	0.01	0.005	0.01	0.0034	0.01
Misc Expenditure	0.01	0.05	0.05	0.062	0.05
Total	4.431	2.23	5.286	2.9301	6.134

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Budget of Town Office Planning, Building Code Act

As the table below depicts, in FY 2012 -2013 the estimated pay of officers was RS0.3 million, which was only RS 0.17 million in FY 2010-2013. Same is the case with the pay to other staff. It increased from RS0.931 million to RS1.7 million in the same period. The regular allowance also increased from RS0.88 million to RS1.163 million, the other allowances also increased from RS0.98 million to RS1.62 million in from FY 2010-2011 to FY 2012-2013.

Table 16: Budget Allocation for TOP/BCA TMA Town III (PKR in Million)

TOP/BCA TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay of Officers	0.17	0.18	0.278	0.0075	0.3
Pay to Other Staff	0.931	0.78	1.572	1.085	1.7
Regular Allowance	0.88	0.95	1.10	1.269	1.163
Other Allowances	0.98	0.65	0.856	0.466	1.62
Overtime	0.005	0	0.005	0	0.005

Medical Charges	0.02	0	0.05	0	0.01
Group insurance	0.005	0	0.005	0	0.01
TA / DA	0.01	0	0.005	0	0.01
Stationary	0.005	0.015	0.015	0	0.015
Printing & Publication	0.005	0	0.005	0	0.005
Other	0.01	0.01	0.01	0.041	0.02
Purchase Of Furniture & Fixture	0.01	0.015	0.05	0	0.05
Repair Of Vehicle	0.02	0	0.05	0.007	0.005
Total	3.051	2.6	4.001	2.8755	4.913

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Budget of Sanitation Department

Sanitation department is the main department in terms of utilization of budgets. Of total 1,444 staff of the town III, sanitation department employs 506. Similarly, out total RS 400.8 million estimated expenditure budget of town III in FY 2012-2013, sanitation department is allocated RS 128.64 million (32.09 %). However, of the total allocated budget in FY 2012-2013, 76 percent was for pay and allowances of officers and other staff.

The pay of officer of the sanitation department is increased from RS0.079 million to RS0.164 million from FY 2010-2011 to FY 2012-2013. The estimated cost of pay of other staff in FY 2010-2011 was RS24.79 million and revised cost of pay was RS27.0 million. In FY 2011-2012, the estimated pay to other staff was RS3.38 million and revised budget for pay of other staff was RS24.8 million. In FY 2012-2013, the estimated pay of other staff was RS42.74 million. The regular allowance also increased from RS17.83 million to RS19.57 million, and for FY 2011-2012 the regular allowance was estimated RS19.31 million and then the revised estimate was RS30.03 million. In FY 2011-2012, the estimated other allowances was RS58.23 million and revised was RS27.66 million.

The fuel expenses also increased from RS10 million in FY 2010-2011 to RS 19 million in 2012-2013. Related to the vehicles two heads are mentioned in the sanitation budget one for the repair of vehicles and second for the purchase of tyre, tubes & batteries.

Table 17: Budget Allocation for Sanitation TMA Town III (PKR in Million)

Sanitation TMA TownIII	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay of Officers	0.079	0.162	0.154	0.143	0.164
Pay to other Staff	24.79	27.0	3.38	24.8	42.74
Regular allowances	17.83	18.0	19.31	30.03	19.57
Other allowances	23.64	18.60	58.23	27.66	34.7
Overtime	0.3	0.86	1.0	0.782	0.8
Medical charges	0.15	0.02	0.05	0.125	0.13
Gas Charges	0.01	0	0.005	0	0
Electric charges	0.02	0.05	0.05	0.0145	0.02
Group Insurance	0.005	0	0.005	0	0.01
Hot & Cold Charges	0.3	0.02	0.2	0	0.1
Fuel(POL & CNG)	10.0	15.30	20.0	19.50	19.0
Stationary	0.01	0	0.005	0	0.005

Uniform & Clothing's	0.03	0	0.03	0	0.03
Purchase of IT Equipments	0.02	0.02	0.04	0.036	0.04
Purchase of Insecticides	0.3	0.52	0.6	0.59	0.6
Purchase of tyre, Tubes & Batteries	0.3	0.05	1.0	1.18	1.0
Purchase of Furniture & Fixture	0.01	0	0.05	0	0.02
Repair of Vehicles	0.4	5.58	5.0	4.873	5.0
Purchase of Sanitation Equipments / Malaria	0.1	1.2	1.5	0.066	0.5
Others / Misc: Expenditure	0.05	0.38	0.4	1.392	0.5
Purchase of Sanitation Veh: Tractor / Shovels	0	0	6.0	0	0.005
Purchase & Repair of Containers	0	0	4.0	4.429	1.0
Monsoon Emergency Works	0	0	0.5	0.35	0.3
Rent of workshop for Sanitation Vehicles	0	0	0	0	1.41
Clearance of Drains / Salets / Garbage	0	0	0	0	1.0
Total	78.344	87.762	121.509	115.9705	128.644

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Budget of Street Light Department

Street light department is the only department where salary budget is less than the operation cost of the department. Of total RS 17.56 million estimated budget in FY 2012-2013, RS 14 million was allocated for operation and maintenance, and electricity bill of street lights.

Table 18: Budget Allocation for Street Light TMA Town III (PKR in Million)

Street Light TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay to other staff	0.824	0.73	1.179	1.022	1.532
Regular allowance	0.6	0.56	0.557	0.834	0.515
Other allowance	0.78	0.62	0.568	0.516	1.48
Overtime	0.01	0	0.01	0	0.01
Medical Charges	0.02	0	0.02	0	0.02
Leave Salary	0.005	0	0.01	0	0.01
Operation & Maintenance of Street Lights	0.5	2.1	2.5	6.056	6.0
Electricity Charges bills of Street Light	1.0	0	15.0	1.385	8.0
Total	3.739	4.01	19.844	9.813	17.567

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Budget of Water Supply Department

Water supply department is the second main department of town III in term of utilization of expenditure budget. In FY 2012-2013, this department was allocated almost 24 % budget of the total budget of town III. Almost 79 percent budget of the total RS 97.8 million in FY 2012-2013 is

allocated for pay and allowances of staff. Other main budget headings include operation and maintenance of tube wells, and electricity charges bills of tube well.

The pay of the other staff for the water supply department has increased rapidly from RS 14.97 million in FY 2010-2011 to RS 36.33 million in FY 2012-2013. The regular allowance also increased from RS 9.71 million to RS 16.2 million in the same period, and other allowances also increased from RS14.48 million to RS 29.02 million.

The expenditure budget of electric charges depicts great variation from FY 2010-2011 to FY 2012-2013. In FY 2010-2011, the estimated expenditure on electricity charges was RS 20.0 million and revised budget was RS 30.0 million. In FY 2011-2012, the estimated budget for electricity charges was RS 39.6 million and revised expenditure was only RS 0.72 million. In FY 2012-2013, the estimated expenditure on electricity bill was RS 10.0 million.

Table 19: Budget Allocation for Water Supply TMA Town III (PKR in Million)

Water Supply TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay to Other staff	14.97	16.81	32.53	20.5	36.33
Regular allowance	9.71	11.3	13.96	17.11	16.2
Other allowance	14.48	13.39	15.5	16.70	29.02
Operation & Maintenance of Tube Wells	5.0	7.0	5.0	12.5	5.0
Electric Charges Bills of Tube Wells	20.0	30.0	39.6	0.72	10.0
Medical charges	0.3	0.05	0.6	0.031	0.3
Leave Salary	0.05	0	0.005	0	0.005
Hot & Cold Charges	0.3	0.55	0.5	0	0.4
Others / Misc : Expenditure	0.05	0.01	0.02	0.153	0.06
Purchase of Hoes Pipe	0	0	0.8	0.686	0.5
Total	64.86	79.11	108.515	68.4	97.815

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

2.2 Budget of Charged Expenditure

The budget for charged expenditure has also increased by 107 percent in FY 2012-2013 compared to FY 2010-2011. The major increase is pool fund, which was RS 2.503 million in FY 2010-2012 budget estimates, and reached to RS 8 million in FY 2012-2013. Similarly, new budget line of CP fund for contract employ was also added, and RS 1 million is allocated under this budget line in FY 2012-2013.

Table 20: Budget Allocation for Charged Expenditure TMA Town III (PKR in Million)

Charged Expenditure TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Legal Charges	0.3	0.3	0.3	1.43	0.5
Audit Fee	1.8	0.936	2.75	0.675	3.0
Pool Fund 2 % LCB Share	2.503	2.14	2.5	0.625	8.0
Celebration of National Days	0.05	0	0.3	0.14	0.3
Unforeseen Expenditure	0.5	0.00067	0.05	0	0.1

Charged Expenditure TMA Town III	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pension Contribution of PUGF & Non PUGF Staff	10.11	15.0	15.0	16.5	15.0
6 % NUDP Share	0	0.2	1.413	0.4	1.013
Training / Capacity Building	0	0	0.3	0.3	0.3
Encashment of LPR PUGF Staff	0	0	0.5	0	0.4
Financial Assistance / Death Grant Of PUGF & Non PUGF Staff of Town 111	0	2.1	1.0	1.0	1.0
Pay / Cost of Police Security Guard	0	1.305	1.0	0.275	1.0
C.P Fund of Contract Employees	0	0	0	0	1.0
Total	15.263	21.98167	25.113	21.345	31.613

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

2.3 Allocations for Development Work

There is a slight decrease (2.7 percent) in allocation of development budget over the last three financial years. In FY 2010-2011, the estimated budget allocated for development was RS 36.9 million, which decreased to RS 35.93 million in FY 2012-2013. In FY 2010-2011, development budget was 13.31 percent of total town III budget, which decreased to 8.16 percent of total town III budget in FY 2012-2013. However, if rate of inflation is calculated for development budget from FY 2010-2011 to FY 2012-2013, the actual decrease in development budget compared to FY 2010-2012 would be more than 20-25 percent. The development budget also includes RS 1 million for disposal for Town Administrator, while RS 14 million is for ongoing schemes in FY 2012-2013. This is huge amount compared to previous year revised budget of RS 1.4 million for ongoing schemes/liabilities. There are no details of such schemes/liabilities in the budget books.

Table 21: Budget Allocation for Development Expenditure TMA Town III (PKR in Million)

Developmental Expenditure TMA TownIII	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
ADP out of Local Fund	4.0	3.0	8.0	27.4	10.0
ADP out of 30 % Share (PFC Award)	8.368	4.184	8.368	4.184	9.205
On-going schemes / Liabilities	14.0	15.0	10.0	1.4	14.0
A M & R / Petty Works	0.5	0.17	1.0	0	1.0
Iron Talkies(Main Holes)	0	0	1.0	0.715	0.5
Ongoing CCB's Schemes	0.5	0	0.05	0	0.03
CCB Share out of Local Fund (25%)	0.5	0	0.05	0	0.03
CCB Share out of PFC Fund Current	0.5	0	0.05	0	0.03
Provision for CIP Schemes	0.5	0	0.05	0	0.03
Amount allocated for construction of TMA Town-111 Office	1.0	0.175	0.8	0.462	0.1
Amount placed for the disposal of Town Administrator for Developmental Schemes	7.0	0	0.5	0	1.0
Aquarium at Jinnah Park	0	0	5.0	0	0.005
Total	36.868	22.529	34.868	34.161	35.93

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

2.4 Increase in Staff and Salaried Expenses (Establishment Charged)

The total strength of town III staff increased from 987 in FY 2010-2011 to 1,444 in FY 2012-2013, which caused heavy increased in salary budget from RS159.12 million to RS293.83 million in the same period.

Table 22: Increase in staff and salary expenditure from FY 2010-2011 to FY 2012-2013

Financial FY	2010-2011	2011-2012	2012-2013
No. of total staff	987	1,260	1,444
Increase in Salaried Expenditure (PKR in Million)	RS 159.12 million	RS 242.44 million	RS 293.83 million

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

The highest number of staff (506) is for sanitation, followed by water supply (422) and street lights (167). The table below depicts increase in number of staff over last three years in different departments.

Table 23: Section wise status of staff to Town III

Sections or Departments	2010-2011	2011-2012	2012-2013
Nazim Secretariat	5	-	-
Naim Nazim Secretariat	4	-	-
General Administration	37	35	42
TOI	79	92	146
TOR	62	68	107
TOF	16	15	15
BCA	-	16	18
Water Supply	262	353	422
Sanitation	491	500	506
UTC	-	167	167
St. Lights	16	14	21
TOP	15	-	-
Total	987	1,260	1,444

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Table 24: Section wise Allocation for Establishment Charges (PKR in Million)

Sections or Departments	2010-2011	2011-2012	2012-2013
Nazim Secretariat	1.30	-	-
Naim Nazim Secretariat	0.95	-	-
General Administration	7.20	7.20	10.63
TOI	13.8	13.4	29.5
TOR	13.4	13.8	26.9
TOF	4.5	4.5	5.8
BCA	-	3.2	4.7
Water Supply	42.0	42.0	81.5
Sanitation	70.2	70.2	97.1
UTC	-	29.1	37.8
St. Lights	2.3	2.3	3.5
TOP	3.2	-	-

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

2.5 Budget of University Town Committee (UTC)

Out of total RS 39.14 million expenditure budget of UTC in FY 2012-2013, almost RS 33 million is allocated for the pay and allowances of staff. POL is the only other major expenditure head which accounts for RS 2 million in FY 2012-2013, followed by development work in university town (RS 0.5 million).

The table below depicts the expenditure of the UTC. The estimated pay of the officer in FY 2010-2011 was RS 0.2 million and revised expenditure of pay was RS 0.28 million. In FY 2011-2012, the estimated pay of officer was RS 0.3156 million and revised pay was RS 0.174 million. In FY 2012-2013, the estimated amount is double of the revised 2011-2012. The cost on pay of the other staff of the UTC for the FY 2010-2011, estimated was RS 9.03 million and revised expenditure on pay was RS 4.96 million. In FY 2011-2012, the estimated pay of other staff was RS 0.9 million and revised to RS 7.351 million. The estimates for other staff salary reached to RS 14.44 million in FY 2012-2013. CGPA is unable to explain this increase as the total number of staff remained the same 167 persons as it was in FY 2011-2012.

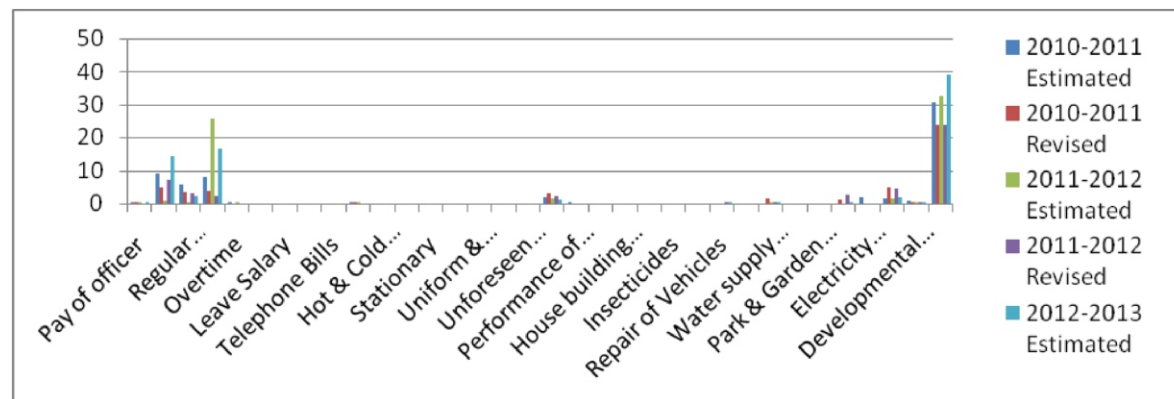
Table 25: Expenditure Detail of the University Town Committee Town III Peshawar (PKR in Million)

Main Sources	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Pay of officer	0.2	0.28	0.3156	0.174	0.36
Basic pay of other staff	9.03	4.96	0.9	7.351	14.44
Regular allowance	5.84	3.55	0.534	3.22	2.254
Other allowances	7.91	3.82	25.66	2.18	16.82
Overtime	0.20	0.002	0.20	0	0.1
Medical Reimbursement	0.10	0.0135	0.05	0.01	0.05
Leave Salary	0.05	0	0.02	0	0.01
Postage & Telegraph	0.002	0	0.005	0	0.005
Telephone Bills	0.10	0.12	0.12	0.011	0.10
Sui gas Bills	0.30	0.335	0.34	0.003	0.05
Hot & Cold Charges	0.10	0.092	0.10	0	0.10
TA / DA	0.10	0	0.03	0	0.02
Stationary	0.04	0.001	0.01	0.002	0.01
Newspaper & Books	0.005	0.0025	0.005	0.004	0.005
Uniform & Clothing's	0.005	0	0.005	0	0.005
Law charges	0.05	0	0.02	0	0.02
Unforeseen Expenditures	0.05	0.002	0.03	0	0.02
Pension Contribution	1.82	3.20	1.50	2.15	1.0
Performance of Hajj	0.24	0	0.005	0	0.005
Entertainment	0.005	0	0.005	0	0.005
House building Advance	0.005	0	0.005	0	0.005
Purchase of IT Equipments	0.02	0.005	0.02	0.05	0.03
Insecticides	0.03	0	0.005	0	0.005
Loan	0.005	0.11	0.05	0.025	0.05
Repair of Vehicles	0.05	0.04	0.05	0.319	0.20

Main Sources	2010-2011		2011-2012		2012-2013
	Estimated	Revised	Estimated	Revised	Estimated
Furniture & Fixtures	0.02	0	0.02	0.035	0.04
Water supply Electrification	0.05	1.39	0.5	0.43	0.40
Repair of Computer etc	0.02	0	0.005	0	0.005
Park & Garden maintenance	0.1	0	0.05	0	0.025
Others	0.1	0.97	0.1	2.78	0.50
Electricity charges Bills	2.0	0	0.005	0	0.005
POL Charges(Fuel & CNG)	1.50	4.872	1.5	4.7	2.0
Developmental works at University Town	0.80	0.245	0.30	0.41	0.50
Total	30.847	24.01	32.4646	23.854	39.144

Source: Town III Municipal Administration Budget Books, (FY 2011-2012, and FY 2012-2013)

Chart 7: Expenditure Detail of the UTC Town III Peshawar



Main Findings

- The budget making processes of town III, Peshawar district, are extremely obscure and opaque. The general formula for making annual budgets appears to be is just to add some percentage on the preceding year budget lines. There seems to be no ground work for taking into consideration the actual needs of localities falling in town III, prioritization of needs and allocation of budgets accordingly. In the absence of elected members of town III, this issue further exacerbated. In this absence of representation of citizens through elected town council, the officials of the town III remained the sole decision makers on allocation of million (for example RS 439.97 million in FY 2012-2013) of citizens' tax money without citizens' due participation at local level.
- Accessing budget books of town III was a main challenge. Access to budget books was denied despite many personal visits to town III municipal administration office. Town III officials seems to have no regard for Article 19-A of the constitution of Pakistan. Article 19-A into constitution through 18th Amendment according right to information constitutional protection.
- Gender consideration is thoroughly missing in allocating of budget for basic municipal services. A uniform allocation for the departments without any consideration of specific gender needs in water and sanitation services is a far cry.
- There seems to be no set targets whatsoever which the town III budgets is aimed at to achieve. The whole organization is working in a manner best suited for emergency response for municipal services. Contingencies are the second main expenditure head after the establishment charges. From 17 to 29 percent of budget is allocated in last three financial years, but no details of the contingences expenditure are available in budget books.
- In last three fiscal years, the staff of town III has increased by 46 percent. In FY 2010-2011, total staff was 987, which increased to 1,444 in FY 2012-2013. Therefore over the last three years, the budget establishment charges have also increased by 71 percent (from RS 171.16 million in FY 2010-2011 to RS 293.83 million in FY 2012-2013).
- While establishment charges witnessed immense increase, there is a slight decrease (2.7 percent) in allocation of development budget over the last three financial years. In FY 2010-2011, the estimated budget allocated for development was RS 36.9 million, which decreased to RS 35.93 million in FY 2012-2013. In FY 2010-2011, development budget was 13.31 percent of total town III budget, which decreased to 8.16 percent of total town III budget in FY 2012-2013. However, if rate of inflation is calculated for development budget from FY 2010-2011 to FY 2012-2013, the actual decrease in development budget compared to FY 2010-2012 would be more than 20-25 percent.
- In the TMO TMA Budget for the FY 2010 -2011, there is also provision of budget for performance of Hajj. In FY 2010-2011, total estimated budget for performance of Hajj was RS 0.476 million and the revised budget in the same year was RS 0.48 million.
- In TOR department budget for FY 2010-2011,an estimated budget of RS 0.005 million was allocated for purchase of shahzore vehicle. The budget was revised to 0.002 million in the same year. The price seems to be too low for purchase of a vehicle.
- RS 8.0 million is allocated for celebration of National Day in 2012-2013 which seems to be too high.

Recommendations

The structure of municipal service providers has undergone drastic changes after introduction of KP Local Government Act 2012 (KPLGA 2012). However, the recommendations of this study are still valid for district council, municipal corporation Peshawar, municipal committees, and union councils to be established under KPLGA 2012.

- Early elections under the KPLGA 2012 should be held, so only the elected representatives of citizens can have the power to decide taxation mechanisms and allocation of citizens' tax money. This should not be the domain of bureaucracy to decide upon how citizens' tax money. Similarly, there should be proper oversight mechanism of elected body over utilization of budgets at local level.
- Citizens should be given access to budget books of municipal offices at local level. This is the right of every citizen as provided by Article 19-A of constitution of Pakistan. Khyber Pakhtunkhwa should have right to information law (so far no such law exists in KP), guaranteeing citizens constitutional right to access such information. This would help facilitate citizens' participation in promoting public accountability and improve public service delivery at local level.
- Each penny of the citizen tax money should be related to some output and result. Output based budgeting is now practiced at provincial level in many departments in Khyber Pakhtunkhwa province, and this practice needs to be introduced at district, municipal committee and union council levels for actualization of expenditure made during the financial year.
- While employment opportunity should be created for unemployed educated citizens, the sole purpose of the public utilities should not be employment. The rate of increase in number of employees over last three years suggests that town III budget was overburdened with establishment charges, which resulted in low allocation for development expenditure.
- The development budget should be increased to at least 30 percent of total budget of municipal committees (as notified in December 2012 under KPLGA 2012).
- There should be gender consideration in allocation and utilization of budgets. There should be a gender expert at each municipal committee/district council levels who can advise on gender sensitive budgeting.
- Details of contingency budget should be added to budget books, and there should be proper reporting on contingency expenses. These expenses should form part of budget books of preceding years. The municipal committees should publish their annual FACT BOOK, which along with budget books, should provide details of all projects, expenses incurred on different activities, and also main achievements/accomplishments.
- There should be a mechanism to engage citizens at local level for improving public service delivery. The public service providers shall assess public satisfaction level on basic social/municipal services through various research studies, surveys etc. This should help determine citizens pressing needs in terms of different geographical areas, and need for improving services in different areas like water supply and sanitation, street lights etc.
- District Accounts Committee (DAC) settlement of advance paras of Municipal Corporation, municipal committees, district councils should be held/settled under the chairmanship of Secretary LG&RDD.
- For utilization of budget, each local government entity shall be bound to approve a PC-I type document for each year,