

**¹[Khyber Pakhtunkhwa] IRRIGATION AND DRAINAGE AUTHORITY
(AUTHORITY FUND) RULES, 2002**

[Gazette of ²[Khyber Pakhtunkhwa], Extraordinary,
5th August, 2001]

No. NWFPIDA/GMF-14/118/2002, dated 9-10-2002.--- The ³[Khyber Pakhtunkhwa] Irrigation and Drainage Authority, in exercise of the powers vested in it under section 36 of ⁴[Khyber Pakhtunkhwa] Irrigation and Drainage Authority Act, 1997, is pleased to frame and promulgate the following Rules with the approval of the Government.

1. Short title, extent and commencement.---(1) These Rules may be called ⁵[Khyber Pakhtunkhwa] Irrigation and Drainage Authority.(Authority Fund) Rules, 2002.

(2) These. Rules extend to such areas of the Province of ⁶[Khyber Pakhtunkhwa], which are under the jurisdiction of the Authority.

(3) These Rules shall come into force at once.

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

(1) "Act" means ⁷[Khyber Pakhtunkhwa] Irrigation and Drainage Authority Act, 1997.

(2) "Area Water Board" means an Area Water Board established under section 26 of the Act.

(3) "Audit" means double audit system as defined in section 25 of the Act.

(4) "Authority" means ⁸[Khyber Pakhtunkhwa] Irrigation and Drainage Authority established under Section 3 of the Act.

(5) "Beard" means. Board of Management constituted under Section 7 of the Act.

(6) "Farmers Organization" means Farmers Organization formed under section 30 of the Act.

¹ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

² Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

³ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

⁴ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

⁵ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

⁶ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

⁷ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

⁸ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

(7) "Fund", means ⁹[Khyber Pakhtunkhwa] Irrigation and Drainage Authority Fund established under Section 19 of the Act.

(8) "Fund Account" means the main bank account and Treasury of the Fund for receipts and disbursements opened and operated in accordance with these Rules.

(9) "Government" means the Government of the Province of ¹⁰[Khyber Pakhtunkhwa].

3. General.---(1) The Fund shall be vested in the Authority.

(2) The Fund shall be irrevocable and non-lapsable.

(3) All sums received by the Authority from time to time under the Act shall be credited to the Fund Account which shall be applied and utilized for the following purposes:

(a) In meeting the expenditure charged on the Fund under the Act;

(b) In meeting the expenditure declared by the Authority to be an appropriate charge on the Fund;

(c) Any expenditure declared by the Government to be so charged on the fund with the approval of the Authority;

(d) In the fulfillment of any obligation and in the discharge of any duty imposed on the Authority under the Act or under any law for the time being in force;

(e) Any sum required to satisfy any judgment, decree or award passed against the Authority by any Court or Tribunal;

(f) In the payment of salaries, allowances, pension, gratuity, leave salary, pension contribution and other benefits to the officers and staff of the Authority;

(g) In the payment of honoraria and allowances;

(h) In the payment of loans and debt servicing;

(i) Constitution of reserves and investment; and

(j) To meet Operations and Maintenance (O&M) costs; undertaking any capital or replacement / maintenance / improvement work; acquiring by purchase or lease any land, property, machinery / equipment and stores.

⁹ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

¹⁰ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

4. Composition of the Fund.--- The Fund shall comprise of all receipts and moneys belonging to the Authority, which shall include, but not be limited to, the following:-

(1) All sums received by or due to the Authority in respect of water charges, sale proceeds, development cess, drainage cess, etc.

(2) Grants made by Government.

(3) Loan obtained from the Government.

(4) Grants made by Local Bodies as required by the Government.

(5) Sale proceeds of bonds, or any other debt instrument issued under the authority of Government.

(6) Loans, advances or any short-term running finances obtained by the Authority with special or general sanction of Government.

(7) Foreign assistance and loans obtained from different foreign agencies with the sanction of and on such terms and conditions as may be approved by Government in consultation with the Federal Government.

(8) All other sums received by the authority under the Act.

(9) Proceeds from the duly authorized sales of stores, equipments and any other asset of the Authority; and

(10) Profit/interest on investments in securities, bank deposits, etc.

5. Management and Control.--- The Board shall be responsible for the control, maintenance, operation and accounting of the Fund. The Managing Director of the Authority shall be the Chief Executive of the Fund.

6. Fund Account.— (1) For the purpose of the operation of the Fund, a bank account to be known as "¹¹[Khyber Pakhtunkhwa] Irrigation and Drainage Authority Fund Account" shall be opened and operated in accordance with these Rules.

(2) The said account shall be opened in Peshawar in the name of the Authority with the National Bank of Pakistan or with any other Scheduled bank with branches all over ¹²[Khyber Pakhtunkhwa], as the Board may decide.

(3) Managing Director with General Manager Finance shall jointly operate Fund Account and financial instruments or the Board may from time to time specify as.

¹¹ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

¹² Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

(4) Abiana receipts, budgetary grants including development and non-development, budgetary allocations by the ¹³[Khyber Pakhtunkhwa] Government, funds under N.D.P. Projects and any other receipts due to the Authority shall be credited to the Fund Account under appropriate head of account.

(5) The money credited to the Fund shall be expended or invested in such manner as may be specified by the Board, provided admissible under the rules, ensuring that the finances of the Authority are managed in a consistent, conservative and diligent manner.

(6) Balance in the Fund Account not immediately required for the purposes of the Authority's operations may be invested in Government securities or deposits with sound Scheduled bands, financial institutions on such terms and conditions as the Board may determine and such securities / deposits may be realized by the Board when deemed necessary for credit to the Fund Account together with the accrued profit/interest thereon. The securities/deposits shall be in the name of the Authority and in no way, the money shall be invested in bearer securities. Amounts invested in securities/deposits and outstanding at any given time shall be treated as part of the Fund.

(7) A bankbook shall be maintained to record transactions of all receipts, disbursements and to be balanced on monthly basis.

(8) A monthly reconciliation statement of the Fund Account (receipts and disbursements) shall be prepared latest by the end of the month following the month to which it relates and to be submitted by the Board to the Authority for its information/consideration at its next meeting.

7. Abiana Receipts.--- (1) Where Farmers Organizations have been established and functional these will undertake the collection work of Abiana within their areas .of jurisdiction. During transitional period the Farmers Organizations will deposit the Abiana into the designated Government Account.

(2) In such areas where Farmers Organizations have not been formed, or not functional, the existing system of Abiana collection shall be continued.

(3) The Farmers Organizations shall submit to the Authority through its Area Water Board monthly statement of Abiana collected and deposited amount under appropriate head of account with the Government.

(4) The Authority will carry out the reconciliation of Abiana collection after every three months at the district level, which shall be submitted to the Finance Department of the Government for final adjustment of Abiana receipt. The reconciliation statement should show targets, actual receipt during the period and progressive, variation between targets and achievements, variation and reason of variation.

¹³ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

(5) A new system for collection work of Abiana and its disbursement shall be evolved and be operative with specific approval of the government after the end of transitional period.

8. Disbursements.--- (1) Subject to the overall control and instructions issued from time to time by the Authority, the Chairmen Area Water Boards/Officers shall operate the bank accounts/Treasury at the Area Water Board/Divisional level and the, funds placed in 'these accounts by the Authority shall be non-lapsable.

(2) Budgetary allocations received by the Authority shall, be transferred from the Fund Account to the Chairmen Area Water Boards bank accounts or where the Area Water Board has not been established and functional, the Fund shall be transferred, to Divisional Officers bank accounts/Treasury according to, the budgeted amounts for each Divisional Office. During transitional period, the Chairman Area Water Board/they Divisional Officer shall operate these funds in accordance with the prescribed procedures and shall be expended/accounted for as per the existing systems and procedures for the civil works including the internal audit arrangements.

(3) Each account shall be operated with the joint Signatures and the Board shall specify the signatories.

(4) Budgetary allocation received by the Authority for Managing Director's Secretariat, General Managers Offices, Legal Cell, Social Development Cell and other offices shall be expended subsequent to verification with supporting documentation, authorization, budgetary allocation and internal rules for correctness and propriety of the expenditure.

(5) All payments from bank/Treasury shall be made by cross cheques with the exception for cheques drawn for petty cash and salary disbursement. In such cases, bearer cheques may be drawn in the name of Cashier. Spoiled cheques if any, shall be cancelled and retained for audit.

(6) Authority shall pay the agreed share of Abiana collections to the Farmers Organization after the end of the each, quarter as per rules.

(7) Reconciliation of receipts and disbursements shall be prepared by the concerned Area Water Board/Divisional Officer and shall be submitted to the Head Office within seven working days after the end of each month.

9. Accounts and Audit.--- (1) The accounts of the Fund shall be prepared for the fiscal year beginning with the first day of July each year to the thirtieth day of June in the following year.

(2) The records and accounts of the Fund shall be maintained in such manner as to reflect, all its transactions, the operations, true financial position and income/expenditure of the Fund. The books of accounts shall be maintained on generally acceptable accounting principles.

(3) To maintain sound internal control under mentioned procedures shall be followed for day-to-day maintenance of accounts;

* No expenditure shall be incurred on an item not provided for in the budget or in excess of the budget provision except in case of extreme emergencies with the specific approval of Board.

* All accounts registers shall be maintained in the Form approved by the Board. No new Form or register for the maintenance of the accounts shall be introduced except with the previous sanction, in writing, of the Board,

* All accounts shall be maintained up to date and every transaction shall be accounted for as soon as it is made.

* The detail of all accounts shall be recorded as full as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

* All records relating to accounts shall be clear, explicit and self contained.

* No erasure shall be made in any account register or Form and if any correction is to be made, it shall be made in red ink and attested by the dated initial of the official concerned.

* All accounts books and registers shall be substantially bound and paged before being brought into use.

* All accounts Forms and registers shall be kept under proper custody to the satisfaction of the officer in charge of the concerned office.

(4) The Authority shall have a double audit system.

(5) The records and accounts of the Fund for each final year shall be audited by Auditor General of Pakistan as well as by the Commercial Auditors.

(6) The Auditor shall carry out the audit in accordance with the professional standards of auditing prescribed by the Institute of Chartered Accountants of Pakistan by a firm of Chartered Accountants appointed by the Authority and shall issue a report on the audit.

(7) The audit of the accounts shall be completed before 31st December each year and thereafter, shall be presented to the Authority for approval. The Authority shall provide a copy of the audit report and financial statements together with detailed information and explanation in regard to any observation, reservation, qualification or adverse remarks contained in the auditor's report to the Government, and shall file a copy with the Accountant General of the ¹⁴[Khyber Pakhtunkhwa] up to 31st January of following year as stipulated in section 25 of Act. The

¹⁴ Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

Authority shall carry out all reasonable directives issued by Government for compliance with any observation, reservation, qualification or adverse remarks in the audit report.
