

# ANNEX - C

## PAKISTAN AUDITING AND ACCOUNTING LEGISLATION

### (A) The Constitution of the Islamic Republic of Pakistan

169. The Auditor General shall, in relation to -

- (a) the accounts of the Federation and of the Provinces; and
- (b) the accounts of any authority or body established by the Federation or a Province, perform such functions and exercise such powers as may be determined by or under Act of Majlis-e-Shoora (Parliament) and, until so determined, by order of the President.

170. The accounts of the Federation and of the Provinces shall be kept in such form and in accordance with such principles and methods as the Auditor General may, with the approval of the President, prescribe.

171. The reports of the Auditor General relating to the accounts of the Federation shall be submitted to the President, who shall cause them to be laid before the National Assembly and the reports of the Auditor General relating to the accounts of a Province shall be submitted to the governor of the Province, who shall cause them to be laid before the Provincial Assembly.

### (B) Auditing Legislation

#### **Extracts from the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001**

**Section 4. Term of Office** – The Auditor General shall, unless he resigns earlier or is removed from office in accordance with the Constitution, hold office for a fixed term of five years from the date on which he assumes such office or he attains the age of sixty-years, whichever is earlier...

**Section 7. Auditor General to certify accounts.** – The Auditor General shall, on the basis of such audit as he may consider appropriate and necessary, certify the accounts, compiled and prepared by Controller General of Accounts or any other person .....and shall submit the certified accounts with such notes, comments or recommendation as he may consider necessary to the President....

**Section 8. Provisions relating to Audit** – The Auditor General shall –

- (a) audit all expenditures from the Consolidated Fund ....to ascertain whether the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service and purpose to which they have been applied....



- (b) audit all transactions..
- (c) audit all trading, manufacturing, profit and loss accounts and balance sheets and other subsidiary accounts....
- (d) audit, subject to provisions of this Ordinance, the accounts of any authority or body established ...

**Section 9. Audit of receipts and expenditure of holders of authorities substantially financed by loans and grants.....**

**Section 14. Powers of Auditor General in connection with audit of accounts.**

- (1) The Auditor General shall .....have authority-
  - (a) to inspect any office of accounts...
  - (b) to require that any accounts, books, papers...
  - (c) to enquire or make such observations...
- (2) The officer in charge of any office or department shall afford all facilities....
- (3) Any person or authority hindering the audit functions or the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

**Section 22. Power to make regulations....**

## **(C) Accounting Legislation**

**Extracts from the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001**

**Section 4. Controller General of Accounts.** – There shall be a Controller General of Accounts who shall be appointed by the President from amongst the officers of the Accounts Group and shall be a PBS 22 officer.

**Section 5. Functions of the Controller General.** - The functions of the Controller General shall be –

- (a) to prepare and maintain the accounts of the Federation, the Provinces and district governments in such form and in accordance with such methods and principles as the Auditor General may, with the approval of the President, prescribe from time to time;
- (b) to authorize payments and withdrawals from the Consolidated Fund and Public Accounts...
- (c) to prepare and maintain accounts of such organizations and authorities established, set up or controlled by the Federation or Provinces as may be assigned to him by the President or, as the case may be, the Governor of a Province;



- (d) to lay down the principles governing the internal financial control for Government departments in consultation with the Ministry of Finance...
- (e) to render advice on accounting procedure for new scheme, programmes or activities undertaken by the Government concerned;
- (f) to submit accounts compiled by him... to the Auditor General .... within the time-frame prescribed by the Auditor General;
- (g) to provide .... information
- (h) develop and maintain as efficient system of pension, provident funds and other retirement benefits...
- (i) to co-ordinate and ensure resolution of audit observation of the Audit Department with the concerned departments; and
- (j) to prescribe syllabus, standards and provide facilities for training of officers and staff under his administrative control.

**Section 6. Certain offices to work under the control of the Controller General...**

**Section 7. Reports.** – From the accounts directly kept or maintained by him or by accounts officers subordinate to him, and from the accounts kept and maintained by other entities, including self-accounting entities, the Controller General shall –

- (a) prepare each year the appropriation and finance accounts...for submission to the Auditor General...
- (b) prepare and submit to the Auditor General for each financial year a Consolidated and General Financial statement ....
- (c) ....

**Section 12. Power to make regulations. ...**

