

No.SO.Admn-I(LG)1-9/2020(P-II)  
GOVERNMENT OF THE PUNJAB  
LOCAL GOVT. & COMMUNITY DEVELOPMENT  
DEPARTMENT

Dated Lahore the 27<sup>th</sup> January, 2021

All the Deputy Commissioners in the Punjab /  
Convener of District Transition Teams.

**SUBJECT: GUIDELINES FOR DISCHARGING OF PENDING LIABILITIES OF  
DEFUNCT UNION COUNCILS IN THE PUNJAB**

The undersigned is directed to refer to the subject cited above and to state that Government of the Punjab has constituted succeeding local governments in terms of Section 3(2) read with Section 15 of Punjab Local Government Act, 2019 vide notification published in the official gazette on 07.11.2019. The newly constituted local governments are also the successor of Union Councils after demarcation. The Union Councils in the Punjab had been abolished vide order No.SO.Admn-I(LG)1-9/2020 dated 28.04.2020 (**Annex-A**) in the Province from 1<sup>st</sup> May 2020. Resultantly, defunct Union Councils have ceased to provide public services and the functions of erstwhile Union Councils have been taken over by their succeeding local governments.

2. After abolishing the Union Councils, the bank accounts of the defunct Union Councils were ceased. The LG&CD Department issued instructions vide order No.SO.Admn-I(LG)1-9(1)/2020 dated 20.05.2020 that "their shall be not withdrawal of funds from the bank accounts of the defunct Union Councils, after discharging all liabilities of defunct Union Councils, till 05.06.2020 strictly following the instructions already issued by the office of Director General, LG&CD. After 05.06.2020, if any withdrawal of funds from any account of the defunct Union Councils in the Province is required, it shall require prior written permission of Director General, LG&CD" (**Annex-B**).

3. In order to resolve the financial issues of defunct Union Councils and to ascertain outstanding liabilities of these institutions, a Committee at Divisional level was constituted under the Chairmanship of Divisional Directors of LG&CD (**Annex-C**). The Committee has worked out the quantum of pending liabilities of defunct Union Councils under the following heads: -

- i. Pension Share
- ii. Financial Assistance.
- iii. Leave Encashment.
- iv. Salaries.





- v. NADRA Share.
- vi. Contractual Liabilities / Development works.
- vii. Misc. Payment / Liabilities.

4. Attention is drawn towards the Notification No.SOR(LG)1-12/2019 dated 07.05.2019, wherein the Competent Authority had constituted the following District Transition Team with specified TORs (**Annex-D**):-

a.	Deputy Commissioner	Convener
b.	Additional Deputy Commissioner (F&P)	Member
c.	Additional Deputy Commissioner (General)	Member
d.	Deputy Director (Development)	Member
e.	All Chief Officers	Member
f.	All Assistant Directors Local Governments	Member
g.	Any other member co-opted by the Team	Member

5. The terms and references of District Transition Team included "distribution of assets, liabilities amongst successor local governments and offices of Provincial Government in the light of directions of the Provincial Transition Team".

6. In view of the afore-stated, District Transition Team is referred the matter to clear the pending liabilities of defunct Union Councils after verification by Divisional Directors of LG&CD and observing the following guidelines / parameters:-

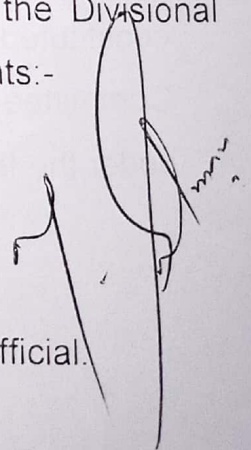
i. **PENSION SHARE**

The pension share shall be worked out by the parent local government and to be verified by concerned Deputy Director. The payment shall be made after entering in service book through cross cheque to the parent local government by the Deputy Director, LG&CD concerned.

ii. **FINANCIAL ASSISTANCE**

The payment shall be made after necessary sanction by the Divisional Director, LG&CD subject to verification / examination of following documents:-

- i. Attested photocopy of Service Book.
- ii. Specimen Signature.
- iii. No Marriage Certificate.
- iv. List of Family members.
- v. Attested photocopies of CNIC widow and deceased official.
- vi. Death Certificate
- vii. Family Registration Certificate issued by NADRA.
- viii. Application of the claimant.





iii.

### LEAVE ENCASHMENT

The payment shall be made after sanction by the Divisional Director, LG&CD concerned and necessary entries in service book by the Deputy Director, LG&CD concerned.

iv.

### SALARIES

The payment shall be made after due verification by the concerned Deputy Director, LG&CD and necessary entries in service book shall also be made.

v.

### NADRA SHARE

The payment shall be made after verification of record by the concerned Deputy Director, LG&CD to NADRA Office through cross cheque.

vi.

### MISC. PAYMENTS / LIABILITIES.

The payment on account of Rent of office building, Utility bills, Photostat charges etc. shall be made after obtaining sanction by the Divisional Director, LG&CD concerned and necessary entries in the relevant register / cash book.

vii.

### CONTRACTUAL / DEVELOPMENT WORKS LIABILITIES

The payment shall be made by the Deputy Director, LG&CD concerned after observing following:-

- i. Filling of proforma (**copy enclosed**).
- ii. Certification from Assistant Engineer & XEN regarding quantity, quality and satisfactory work done.
- iii. No duplicity certificate from XEN concerned.
- iv. Record keeping regarding all payment of liabilities shall be responsibility of Deputy Director, LG&CD concerned and he will be responsible for production of record for audit purpose.

7. Further necessary action may be taken accordingly, after fulfilling all codal / legal and procedural formalities.

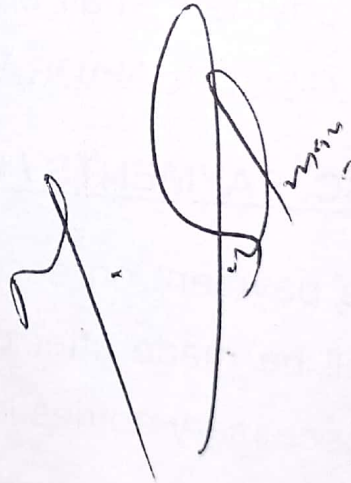
C.C

SECTION OFFICER (BUDGET)

1. Secretary to Government of the Punjab, Finance Department.
2. All the Divisional Commissioners in the Punjab.
3. Director General, LG&CD, Punjab.
4. Provincial Director Local Funds Audit, Punjab, Lahore.

5. All Divisional Directors, LG&CD in the Punjab.
6. Director Legal, LG&CD, Punjab.
7. All Chief Corporation / Chief Officers in the Punjab.
8. All Deputy Directors, LG&CD, in the Punjab.
9. Secretary, Punjab Local Government Board, Lahore.
10. Director (Finance), Punjab Local Government Board, Lahore.
11. PSO to Secretary, LG & CD Department, Government of the Punjab.
12. PS to Special Secretary, LG & CD Department, Government of the Punjab.

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