

**CENTRE FOR GOVERNANCE & PUBLIC  
ACCOUNTABILITY (CGPA)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

## **INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS**

We have audited the accompanying financial statements of **CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)** which comprise the statement of financial position as at June 30, 2021 and income and expenditure account, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significantly accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)** as at June 30, 2021 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting and standards as applicable in Pakistan.

### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Board is responsible for the preparation and fair presentation of the financial Statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or errors.

In preparation of the Financial Statements Board is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibility for the Audit of The Financial Statements**

Our Objectives are to obtain reasonable assurance about whether the financial statements as whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report



that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.


As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit, we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to frauds or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional, Omissions, misrepresentation, or the override of internal control.
- Obtain and understanding of internal control relevant to the audit an order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude in the appropriateness of management's use of the going concern basis of accounting and base on the audit evidence abstained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern, if we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion, our conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or condition may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate, "With those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Peshawar

Dated: October 26, 2021



*Baker Tilly Mehmoood Idrees Qamar*

**Baker Tilly Mehmoood Idrees Qamar**  
Chartered Accountants  
Engagement Partner: Muhammad Abdur Rub Khan



**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Note	JUNE 30, 2021 Rupees	JUNE 30, 2020 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	4	888,762	987,513
<b>CURRENT ASSETS</b>			
Trade debtors, Advances and Receivables	5	11,764,121	1,420,527
Cash and bank balances	6	9,996,735	14,628,281
		21,760,856	16,048,808
		<b>22,649,618</b>	<b>17,036,321</b>
<b>FUND AND LIABILITIES</b>			
General fund	7	1,612,492	2,530,529
<b>CURRENT LIABILITIES</b>			
Deferred Grant	8	19,594,844	11,083,435
Accrued and other liabilities	9	1,442,282	3,422,357
		21,037,126	14,505,792
		<b>22,649,618</b>	<b>17,036,321</b>

The annexed notes form an integral part of these financial statements.

  
**EXECUTIVE DIRECTOR**

  
**FINANCE MANAGER**

**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

		<u>JUNE 30, 2021</u>	<u>JUNE 30,</u>
		<u>Rupees</u>	<u>2020</u>
	Note		<u>Rupees</u>
<b>INCOME</b>			
<b>Grant</b>			
Restricted	10	47,609,917	22,796,798
Unrestricted	11	21,036	345,078
		<u>47,630,953</u>	<u>23,141,876</u>
<b>EXPENDITURE</b>			
Program cost	12	47,571,039	22,804,453
General and administrative expenses	13	977,951	1,165,486
		<u>48,548,990</u>	<u>23,969,939</u>
Deficit for the year		<u><u>(918,037)</u></u>	<u><u>(828,063)</u></u>

The annexed notes form an integral part of these financial statements.

  
**EXECUTIVE DIRECTOR**

  
**FINANCE MANAGER**

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**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>JUNE 30, 2021 Rupees</b>	<b>JUNE 30, 2020 Rupees</b>
<b>a) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Deficit for the year	(918,037)	(828,063)
Adjustment for non cash charges:		
Depreciation	98,751	109,724
Cash flow before working capital changes	(819,286)	(718,339)
Working capital changes		
(Decrease) in current assets;		
Trade debtors, Advances and Receivables	(10,343,594)	389,729
Increase/(decrease) in current liabilities;		
Accrued and other liabilities	(1,980,075)	(7,650,665)
Restricted grant received in advance	8,511,409	8,013,189
	(3,812,260)	752,253
<b>Net cash generated from operating activities</b>	<b>(4,631,546)</b>	<b>33,914</b>
<b>b) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Additions in property and equipment	-	-
<b>Net cash (used in) investing activities</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents (a+b)	(4,631,546)	33,914
Cash and cash equivalent at the beginning of the year	14,628,281	14,594,367
<b>Cash and cash equivalent at the end of the year</b>	<b>9,996,735</b>	<b>14,628,281</b>

The annexed notes form an integral part of these financial statements.

  
**EXECUTIVE DIRECTOR**

  
**FINANCE MANAGER**

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**CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**1 STATUS AND OPERATION**

Centre for Governance & Public Accountability (CGPA) is an independent, non-profit, non-gender, non-governmental and non-sectarian organization. It is registered under the Societies registration Act XXI of 1860 on January 31, 2012

**AIMS AND OBJECTS**

The objects (must be Literacy, Scientific, Charitable, etc) of which the society is established are:

- a) Open Governance, Right to Information.
- b) Rule of Law, Access to Justice and Police Reforms.
- c) Democratic Governance.
- d) Social Accountability & Budget Advocacy.
- e) Promotion of Pluralism, peace & tolerance.

**2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 ACCOUNTING CONVENTION**

These financial statements have been prepared under the historical cost convention.

**3.2 FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are prepared in Pakistani Rupees which is the Organization's functional and presentation currency.

**3.3 PROPERTY AND EQUIPMENT**

Property and equipment are carried at cost less accumulated depreciation and impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in the property and equipment note.

Depreciation on additions during the year is charged from the month in which an asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

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Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

### **3.4 INTANGIBLE ASSETS**

These are carried at cost less accumulated amortization and any identified impairment losses. Amortization is charged at the rate specified in the intangible asset rate, using the reducing balance method, to allocate the cost of software over their estimated useful lives specified in note 4, and is charged to income and expenditure for the year. Costs associated with maintaining computer software, are recognized as an expense as and when incurred.

### **3.5 IMPAIRMENT**

The Organization assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether these are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income and expenditures account, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognized for the assets in prior years. A reversal of an impairment loss is recognized immediately in income and expenditures account, unless the relevant assets are carried at revalued amounts, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **3.6 RECEIVABLES**

Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

### **3.7 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks and highly liquid short term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

### **3.8 PAYABLES**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed to the Organization or not.

### **3.9 REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered in the normal course of business.

- Profit on investments / bank deposits is recognized on time proportionate basis.

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#### **- RESTRICTED GRANTS**

Grants received for specific purposes and interest thereon are classified as restricted grants. Such grants are transferred to income as grants to the extent of actual expenditure incurred against them. Unspent portion of such grants are reflected as restricted grants in the balance sheet. Expenditure incurred against grant committed but not received is accrued and recognized in income and is reflected as receivable from donors.

#### **- UNRESTRICTED GRANTS**

Unrestricted grants, if any, received from donor without any conditions are recognized as income during the year of receipt.

### **3.10 UNRESTRICTED GRANTS**

The preparation of financial statements in conformity with the approved accounting standards require management to make judgment, estimates and assumptions that affect the application of reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provision for doubtful receivables. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

### **3.11 PROVISION FOR TAXATION**

Provision for taxation is based on taxable income at the current tax rates after taking into account applicable tax credits, rebates and exemptions available under Income Tax Ordinance, 2001.

### **3.12 FOREIGN CURRENCY TRANSLATION**

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in income and expenditure account for the year.

### **3.13 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognized when the Organization becomes a party to the contractual provisions of the instruments and derecognized when the Organization loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

Other particular recognition methods adopted by the Organization are disclosed in the individual policy statements associated with each item of financial instruments.

### **3.14 OFFSETTING OF FINANCIAL ASSET AND FINANCIAL LIABILITY**

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Organization has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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Note		JUNE 30, 2021 Rupees	JUNE 30, 2020 Rupees
<b>5</b>	<b><u>TRADE DEBTORS, ADVANCES AND RECEIVABLES</u></b>		
	Receivables from Oxford Policy Management Pakistan (Pvt) Ltd	10,665,406	-
	W.H Tax deducted by Doners	1,098,715	937,374
	Prepaid Office Rent	-	483,153
		<b>11,764,121</b>	<b>1,420,527</b>
<b>6</b>	<b><u>CASH AND BANK BALANCES</u></b>		
	Cash in Hand	-	-
	Cash in Bank	9,996,735	14,628,281
		<b>9,996,735</b>	<b>14,628,281</b>
<b>7</b>	<b><u>GENERAL FUND</u></b>		
	Opening balance	2,530,529	3,358,592
	Less: Deficit for the year	(918,037)	(828,063)
		<b>1,612,492</b>	<b>2,530,529</b>
<b>8</b>	<b><u>DEFERRED GRANT</u></b>		
	RSPN-Health Protection Program-V	-	100,223
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-12	-	6,125,254
	NED- Advocacy Campaign for Governance Reforms-FATA-VII	-	3,878,875
	TEDA-Improving Public Service Delivery through RTI in Post Conflict Areas	-	979,083
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-13	684,883	-
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-14	6,752,013	-
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-15	7,999,494	-
	NED-Advocacy Campaign for Governance Reforms-FATA-VIII	4,158,454	-
		<b>19,594,844</b>	<b>11,083,435</b>
<b>9</b>	<b><u>ACCRUED AND OTHER LIABILITIES</u></b>		
	RSPN-Health Protection Program-VI	-	2,362,546
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-12	-	361,014
	TDEA-Women NICs & Voter Registration Campaign Statement-	-	59,078
	TDEA-Improving Public Service Delivery through RTI in Post	-	578,416
	TEDA-Strengthening Electoral & Legislative Process (SELF)	-	61,303
	NED-Advocacy Campaign for Governance Reforms-FATA-VII	912,342	-
	Advocacy Campaign for Effective Local Governments in Khyber	-	-
	Pakhtunkhwa-VIII	529,940	-
		<b>1,442,282</b>	<b>3,422,357</b>
<b>10</b>	<b><u>RESTRICTED GRANTS</u></b>		
<b>10.1</b>	<b><u>Foundation Open Society Institute (FOSI)</u></b>		
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-12	6,125,254	6,354,746
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-13	7,390,555	-
		<b>13,515,809</b>	<b>6,354,746</b>
<b>10.2</b>	<b><u>National Endowment for Democracy</u></b>		
	Advocacy Campaign for Governance Reforms-FATA-VI	-	7,634,580
	Advocacy Campaign for Governance Reforms-FATA-VII	13,559,731	1,081,125
	Advocacy Campaign for Effective Local Governments in Khyber	-	-
	Pakhtunkhwa-VIII	1,202,640	-
		<b>14,762,371</b>	<b>8,715,705</b>

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**10.3 USAID**

TDEA-Women NICs & Voter Registration Campaign Statement-  
TDEA-Strengthening Electoral & Legislative Process (SELF)  
TDEA-Improving Public Service Delivery through RTI in Post

**JUNE 30,  
2021  
Rupees**

**JUNE 30,  
2020  
Rupees**

-	1,674,426
-	1,692,049
2,295,979	3,519,475

**2,295,979                      6,885,950**

**10.4 Rural Support Program Networks**

Health Protection Program-V

**100,223**

**840,397**

**10.5 (Oxford Policy Management Pakistan (Pvt) Ltd)**

GIS enabled automated property valuation model

**16,935,535**

-

**47,609,917**

**22,796,798**

**11 UNRESTRICTED GRANTS**

Bank Profit  
Board Member's Contribution  
Exchange Gain/(Loss)

21,036

247,503

-

10,326

-

87,249

**21,036**

**345,078**

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4 PROPERTY AND EQUIPMENT

2021								
Particulars	C O S T			D E P R E C I A T I O N			W.D.V. As at June 30, 2021	Rate %
	As at July 01, 2020	Additions	As at June 30, 2021	As at July 01, 2020	For the period	As at June 30, 2021		
	Rupees-							
Computer & Other Office Equipments	1,155,429	-	1,155,429	588,623	56,681	645,304	510,125	10
Furniture and Fixtures	768,033	-	768,033	386,929	38,110	425,039	342,994	10
Books	92,000	-	92,000	52,397	3,960	56,357	35,643	10
	2,015,462	-	2,015,462	1,027,949	98,751	1,126,700	888,762	

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## Program cost

PARTICULARS	Strengthen Implementation n Mechanism of the RTI Laws in KP- OSF-12	Strengthen Implementation n Mechanism of the RTI Laws in KP- OSF-13	NED- Advocacy Campaign for Governance Reforms- FATA-VII	NED- Advocacy Campaign for Governance Reforms- FATA-VIII	TDEA- Improving Public Service Delivery through RTI in Post Conflict Areas	RSPN-Health Protection Program -V	Oxford Policy Management Pakistan (Pvt) Ltd. GIS enabled automated property valuation model	TOTAL 30-06-2021 Rupees	TOTAL 30-06-2020 Rupees
PAYMENTS									
Project Activities	-	-	-	-	399,396	-	-	399,396	506,250
Consultancies, Translation & Contracts	208,000	5,620,200	1,208,000	-	-	-	-	7,036,200	606,400
General & Administrative	757,985	354,739	-	-	-	-	-	1,112,724	677,574
Project Output	4,650,572	279,800	-	-	-	101,973	1,887,947	6,920,292	118,280
Project Staff	452,175	1,135,816	5,270,000	1,098,540	-	-	12,782,720	20,739,251	13,468,816
Travel & Transport	56,522	-	1,018,500	89,400	258,262	-	479,801	1,902,485	2,673,085
Communication & Postage	-	-	5,832	-	-	-	-	5,832	37,105
Legal & Professional	-	-	-	-	-	-	328,803	328,803	-
Objectives Civil Society Member	-	-	-	-	490,005	-	-	490,005	471,955
Objective Evidence Generated	-	-	-	-	485,350	-	-	485,350	165,450
Object Journalists from Merg	-	-	-	-	534,934	-	-	534,934	1,294,311
Project Closing	-	-	-	-	235,800	-	-	235,800	-
Other Direct Cost	-	-	5,217,315	-	-	-	-	5,217,315	1,736,040
Overheads	-	-	-	-	-	-	1,289,747	1,289,747	-
Trainings	-	-	-	-	-	-	-	-	229,952
Space & Utilities	-	-	774,258	14,700	-	-	-	788,958	598,713
Office Supplies & Equipment	-	-	65,826	-	18,121	-	-	83,947	220,487
Bank Charges	-	-	-	-	-	-	-	-	35
Total	6,125,254	7,390,555	13,559,731	1,202,640	2,421,868	101,973	16,769,018	47,571,039	22,804,453

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	Note	JUNE 30, 2021 Rupees	JUNE 30, 2020 Rupees
<b>13 GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Salaries & Wages		452,235	-
Travel & Accomodation		67,258	-
Tax Paid		57,694	-
W.H.Tax adjustment for the year 2019		-	384,247
Office Supplies & Maintenance		124,730	-
Communication & Postage		23,919	-
Utility Charges		13,680	-
Office Rent		-	439,230
E.O.B.I		18,720	53,300
Miscellaneous Expenses		119,354	-
Bank Charges		1,610	178,985
Depreciation Charges		98,751	109,724
		<b>977,951</b>	<b>1,165,486</b>

**14 DATE OF AUTHORIZATION FOR ISSUE**

These financial statement are authorized for issue by the Board of Directors of the organization\_\_\_\_\_.

**15 GENERAL**

**15.1 REARRANGEMENT**

Prior year figures have been re-arranged /re-grouped wherever considered necessary for the purpose of comparison.

**15.2** Figures have been rounded off to the nearest Rupee.

  
EXECUTIVE DIRECTOR

  
FINANCE MANAGER