

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

**FINANCIAL STATEMENTS
FOR THE YAER ENDED JUNE 30,
2022.**



M. Asif Jamil & Co.
Chartered Accountant

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Independent auditors' report to the Management Committee

We have audited the accompanying financial statements of **CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)**, which comprise of the statement of financial position as at June 30, 2022, and the income and expenditure account, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)** as at June 30, 2022, and its financial performance for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

October 11, 2022

Peshawar

UDIN: AR202210257oxOGX1FBv

M. Asif Jamil & Co.

CHARTERED ACCOUNTANTS

(Engagement Partner: Muhammad Asif Jamil)



CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)

BALANCE SHEET AS AT JUNE 30, 2022

	Note	JUNE 30, 2022 Rupees	JUNE 30, 2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	799,886	888,762
CURRENT ASSETS			
Trade debtors, Advances and Receivables	5	1,446,645	11,764,121
Cash and bank balances	6	16,174,294	9,996,735
		17,620,939	21,760,856
		18,420,825	22,649,618
FUND AND LIABILITIES			
General fund	7	1,512,058	1,612,492
CURRENT LIABILITIES			
Restricted grant received in advance	8	15,441,086	19,594,844
Accrued and other liabilities	9	1,467,681	1,442,282
		16,908,767	21,037,126
		18,420,825	22,649,618

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


EXECUTIVE DIRECTOR


FINANCE MANAGER

MAJCO

CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	JUNE 30, 2022 Rupees	JUNE 30, 2021 Rupees
INCOME			
Grant			
Restricted	10	46,426,634	47,609,917
Unrestricted	11	853,031	21,036
		<u>47,279,665</u>	<u>47,630,953</u>
EXPENDITURE			
Program cost	12	46,478,041	47,571,039
General and administrative expenses	13	902,058	977,951
		<u>47,380,099</u>	<u>48,548,990</u>
Surplus for the year		<u>(100,434)</u>	<u>(918,037)</u>

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




EXECUTIVE DIRECTOR


FINANCE MANAGER

CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	JUNE 30, 2022 Rupees	JUNE 30, 2021 Rupees
a) CASH FLOW FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(100,434)	(918,037)
Adjustment for non cash charges:		
Depreciation	88,876	98,751
Cash flow before working capital changes	<u>(11,558)</u>	<u>(819,286)</u>
Working capital changes		
(Decrease) in current assets		
Trade debtors, Advances and Receivables	10,317,476	(10,343,594)
Increase/(decrease) in current liabilities		
Accrued and other liabilities	25,399	(1,980,075)
Restricted grant received in advance	(4,153,758)	8,511,409
	<u>6,189,117</u>	<u>(3,812,260)</u>
Net cash generated from operating activities	<u>6,177,559</u>	<u>(4,631,546)</u>
b) CASH FLOW FROM INVESTMENT ACTIVITIES		
Additions in property and equipment	-	-
Net cash (used in) investing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents (a+b)	6,177,559	(4,631,546)
Cash and cash equivalent at the beginning of the year	9,996,735	14,628,281
Cash and cash equivalent at the end of the year	<u>16,174,294</u>	<u>9,996,735</u>

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


EXECUTIVE DIRECTOR


FINANCE MANAGER



CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 Plurasim, 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.

MAJCO

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.



- **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.



4 PROPERTY AND EQUIPMENT

2022								
Particulars	C O S T			D E P R E C I A T I O N			W.D.V.	Rate %
	As at July 01, 2021	Additions	As at June 30, 2022	As at July 01, 2021	For the period	As at June 30, 2022	As at June 30, 2022	
	-----Rupees-----							
Computer & Other Office Equipments	1,155,429	-	1,155,429	645,304	51,013	696,317	459,112	10
Furniture and Fixtures	768,033	-	768,033	425,039	34,299	459,338	308,695	10
Books	92,000	-	92,000	56,357	3,564	59,921	32,079	10
	2,015,462	-	2,015,462	1,126,700	88,876	1,215,576	799,886	



Note		JUNE 30, 2022 Rupees	JUNE 30, 2021 Rupees
5	<u>TRADE DEBTORS, ADVANCES AND RECEIVABLES</u>		
	Receivables from Oxford Policy Management Pakistan (Pvt) Ltd (GIS Project)	-	10,665,406
	Receivables from Oxford Policy Management Pakistan (Pvt) Ltd (Online Civic)	-	-
	W.H Tax deducted by Doners	1,221,645	1,098,715
	Staff Loan	225,000	-
		1,446,645	11,764,121
6	<u>CASH AND BANK BALANCES</u>		
	Cash at bank	16,174,294	9,996,735
7	<u>GENERAL FUND</u>		
	Opening balance	1,612,492	2,530,529
	Add: Surplus for the year	(100,434)	(918,037)
		1,512,058	1,612,492
8	<u>RESTRICTED GRANT RECEIVED IN ADVANCE</u>		
	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	7,068,463	7,999,494
	NED-Advocacy Campaign for Governance Reforms-FATA-VIII	-	4,158,454
	GIZ-FATA Development Programme	8,173,336	-
	CIPE-Mobilizing Economic Reforms to keep Critical Civic Space open in KP	199,287	-
		15,441,086	19,594,844
9	<u>ACCRUED AND OTHER LIABILITIES</u>		
	NED-Advocacy Campaign for Governance Reforms-FATA-VII	-	912,342
	Advocacy Campaign for Effective Local Governments in Khyber Pakhtunkhwa-VIII	1,467,681	529,940
		1,467,681	1,442,282
10	<u>RESTRICTED GRANTS</u>		
10.1	<u>Foundation Open Society Institute (FOSI)</u>		
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-12	-	6,125,254
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-13	684,883	7,390,555
		684,883	13,515,809
10.2	<u>National Endowment for Democracy</u>		
	Advocacy Campaign for Governance Reforms-FATA-VII	-	13,559,731
	Advocacy Campaign for Effective Local Governments in Khyber Pakhtunkhwa-VIII	14,557,464	1,202,640
		14,557,464	14,762,371



	JUNE 30, 2022 Rupees	JUNE 30, 2021 Rupees
10.3 <u>USAID</u> TDEA-Improving Public Service Delivery through RTI in Post Conflict Areas	-	2,295,979
10.4 <u>Rural Support Program Networks</u> Health Protection Program-V	-	100,223
10.5 <u>(Oxford Policy Management Pakistan (Pvt) Ltd)</u> SNG-GIS enabled automated property valuation model project (SNG-II) SNG-Online Civic Services Center project (SNG-III)	14,511,578 8,928,840	16,935,535 -
10.6 <u>The Centre for International Private Enterprise (CIPE)</u> Mobilizing Economic Reforms to keep Critical Civic Space open in KP	6,429,044	-
10.7 <u>Centre for Peace & Development Initiatives</u> CPDI Project	41,700	-
10.8 <u>Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)</u> FATA Development Programme	1,273,125	-
	<u>46,426,634</u>	<u>47,609,917</u>
11 <u>UNRESTRICTED GRANTS</u> Bank Profit Board Member's Contribution Exchange Gain/(Loss)	853,031 - -	21,036 - -
	<u>853,031</u>	<u>21,036</u>



12 Program cost

PARTICULARS	(CIPE) Mobilizing Economic Reforms to keep critical Space open in KP	CPDI	OSF-13 Strengthen Implementation Mechanism of the RTI Laws in KP	(GIZ) FATA Development Programme	(NED) Improving Local Governance in Khyber Pakhtunkhwa IX	(NED) Advocacy Campaign for Governance Reforms FATA- VII	(NED) Advocacy campaign for effective Local Government in Khyber Pakhtunkhwa- VIII	(SNG) GIS based property valuation model project SNG-II	(SNG) Online Civic Services Center project SNG-III	TOTAL 30-06-2022 Rupees	TOTAL 30-06-2021 Rupees
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PAYMENTS

Project Activities	-	-	-	-	-	-	-	-	-	-	399,396
Consultancies, Translation & Contracts	-	-	139,887	-	-	-	1,111,250	-	-	1,251,137	7,036,200
General & Administrative	-	-	205,362	105,120	-	-	-	-	-	310,482	1,112,724
Project Output	-	-	-	-	-	-	-	1,574,816	-	1,574,816	6,920,292
Project Staff	3,377,450	-	307,823	1,052,895	-	-	5,708,100	11,944,904	6,441,390	28,832,562	20,739,251
Travel & Transport	446,907	-	-	-	-	-	2,254,362	37,230	566,858	3,305,357	1,902,485
Communication & Postage	109,396	-	-	-	-	-	-	-	-	109,396	5,832
Contractual Services	120,000	-	-	-	-	-	-	-	-	120,000	-
Awareness & Mobilization	-	41,700	-	-	-	-	-	-	-	41,700	-
Legal & Professional	-	-	-	-	-	-	-	-	-	-	328,803
Objectives Civil Society Member	-	-	-	-	-	-	-	-	-	-	490,005
Objective Evidence Generated	-	-	-	-	-	-	-	-	-	-	485,350
Object Journalists from Merg	-	-	-	-	-	-	-	-	-	-	534,934
Project Closing	-	-	-	-	-	-	-	-	-	-	235,800
Other Direct Cost	1,169,300	-	-	-	-	-	4,477,251	-	-	5,646,551	5,217,315
Overheads	-	-	-	-	-	-	-	432,199	1,712,592	2,144,791	1,289,747
Trainings	-	-	-	115,110	-	-	-	-	-	115,110	-
Space & Utilities	619,207	-	-	-	25,500	-	1,006,501	-	-	1,651,208	788,958
Office Supplies & Equipment	586,784	-	31,811	-	-	3,600	-	269,100	208,000	1,099,295	83,947
Miscellaneous Exp	-	-	-	-	-	-	-	275,636	-	275,636	-
Total	6,429,044	41,700	684,883	1,273,125	25,500	3,600	14,557,464	14,533,885	8,928,840	46,478,041	47,571,039



	Note	JUNE 30, 2022 Rupees	JUNE 30, 2021 Rupees
13 <u>GENERAL AND ADMINISTRATIVE EXPENSES</u>			
Salaries & Wages		-	452,235
Travel & Accomodation		-	67,258
Legal & Professional Charges		613,801	57,694
Office Supplies & Maintenance		-	124,730
Communication & Postage		-	23,919
Utility Charges		-	13,680
E.O.B.I		-	18,720
Miscellaneous Expenses		193,800	119,354
Bank Charges		5,581	1,610
Depreciation Charges		88,876	98,751
		902,058	977,951

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

MAJCO