

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

FINANCIAL STATEMENTS

For the year ended June 30, 2020

BAKER TILLY MEHMOOD IDREES QAMAR

CHARTERED ACCOUNTANTS

TF- 58, Deans Trade Center, Islamia Road, Peshawar Cantt

Ph: 091-5253354, Email : btmiqpesh@yahoo.com

Baker Tilly Mehmood Idress Qamar
Chartered Accountants
TF-58, Deans Trade Center
Islamia Road,
Peshawar Cantt. - Pakistan

T: +92 (91) 5253354

F: +92 (91) 5253365

btmiqpes@yahoo.com

info_pew@bakertilly.pk

www.bakertilly.pk

AUDITORS' REPORT TO THE GOVERNING BOARD OF CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)

Opinion

We have audited the accompanying financial statements of **CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)** which comprise the balance sheet as at June 30, 2020 and the statement of income and expenditure account, and statement of cash flow for the year then ended, and to the notes to the financial statements, including a summary of significant 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)** for the year ended June 30, 2020 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting 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 Society 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 of Directors are 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 of Directors 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 of Directors are responsible for assessing the Society'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 a 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 a 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 misstatement, 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.

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Baker Tilly Mehmood Idress Qamar, Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly Mehmood Idress Qamar
Chartered Accountants
TF-58, Deans Trade Center
Islamia Road,
Peshawar Cantt. - Pakistan

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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 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 society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and base on the audit evidence obtained, 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: 16 October, 2020


Baker Tilly Mehmood Idress Qamar
Chartered Accountants

CENTRE FOR GOVERNANCE & PUBLIC ACCOUNTABILITY (CGPA)

BALANCE SHEET

AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	987,513	1,097,237
CURRENT ASSETS			
Trade debtors, Advances and Receivables	5	1,420,527	1,810,256
Cash and bank balances	6	14,628,281	14,594,367
		16,048,808	16,404,623
		17,036,321	17,501,860
FUND AND LIABILITIES			
General fund	7	2,530,529	3,358,592
CURRENT LIABILITIES			
Restricted grant received in advance	8	11,083,435	3,070,246
Accrued and other liabilities	9	3,422,357	11,073,022
		14,505,792	14,143,268
		17,036,321	17,501,860

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)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Grant			
Restricted	10	22,796,798	29,842,987
Unrestricted	11	345,078	896,765
		<u>23,141,876</u>	<u>30,739,752</u>
EXPENDITURE			
Program cost	12	22,804,453	29,066,359
General and administrative expenses	13	1,165,486	2,374,495
		<u>23,969,939</u>	<u>31,440,854</u>
Deficit for the year		<u>(828,063)</u>	<u>(701,102)</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, 2020

	2020 Rupees	2019 Rupees
a) CASH FLOW FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(828,063)	(701,102)
Adjustment for non cash charges:		
Depreciation	109,724	121,915
Cash flow before working capital changes	(718,339)	(579,187)
Working capital changes		
(Decrease) in current assets		
Trade debtors, Advances and Receivables	389,729	206,957
Increase/(decrease) in current liabilities		
Accrued and other liabilities	(7,650,665)	5,241,457
Restricted grant received in advance	8,013,189	(350,869)
	752,253	5,097,545
Net cash generated from operating activities	33,914	4,518,358
b) CASH FLOW FROM INVESTMENT ACTIVITIES		
Additions in property and equipment	-	-
Net cash (used in) investing activities	-	-
Net increase/(decrease) in cash and cash equivalents (a+b)	33,914	4,518,358
Cash and cash equivalent at the beginning of the year	14,594,367	10,076,009
Cash and cash equivalent at the end of the year	14,628,281	14,594,367

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, 2020

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.

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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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4 PROPERTY AND EQUIPMENT

2020								
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, 2019	Additions	As at June 30, 2020	As at July 01, 2019	For the period	As at June 30, 2020	As at June 30, 2020	
	-----Rupees-----							
Computer & Other Office Equipments	1,155,429	-	1,155,429	525,644	62,979	588,623	566,806	10
Furniture and Fixtures	768,033	-	768,033	344,584	42,345	386,929	381,104	10
Books	92,000	-	92,000	47,997	4,400	52,397	39,603	10
	2,015,462	-	2,015,462	918,225	109,724	1,027,949	987,513	

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Note		2020 Rupees	2019 Rupees
5	<u>TRADE DEBTORS, ADVANCES AND RECEIVABLES</u>		
	W.H Tax deducted by Doners	937,374	1,321,621
	Prepaid Office Rent	483,153	439,230
	Program Advance to Staff	-	49,405
		<u>1,420,527</u>	<u>1,810,256</u>
6	<u>CASH AND BANK BALANCES</u>		
	Cash at bank	<u>14,628,281</u>	<u>14,594,367</u>
7	<u>GENERAL FUND</u>		
	Opening balance	3,358,592	4,059,694
	Add: Surplus for the year	(828,063)	(701,102)
		<u>2,530,529</u>	<u>3,358,592</u>
8	<u>RESTRICTED GRANT RECEIVED IN ADVANCE</u>		
	RSPN-Health Protection Program-V	100,223	940,620
	NED-Advocacy Campaign for Governance Reforms-FATA-VI	-	2,129,626
	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	-
		<u>11,083,435</u>	<u>3,070,246</u>
9	<u>ACCRUED AND OTHER LIABILITIES</u>		
	FOSI-Promoting Right to Information	-	3,394,240
	DAI-Development of Manualsfor operationalization of Section 4-5	-	447,689
	Advocacy Campaign for Governance Reforms-FATA-V	-	1,106,698
	RSPN-Health Protection Program-VI	2,362,546	5,338,917
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-12	361,014	-
	TDEA-Women NICs & Voter Registration Campaign Statement-Haripur	59,078	-
	TEDA-Improving Public Service Delivery through RTI in Post Conflict Areas	578,416	-
	TEDA-Strengthening Electoral & Legislative Process (SELF) Project	61,303	-
	UNDP-Training for Journalist on Reforms in FATA Governance Project	-	785,478
		<u>3,422,357</u>	<u>11,073,022</u>
10	<u>RESTRICTED GRANTS</u>		
10.1	<u>Foundation Open Society Institute (FOSI)</u>		
	Promoting Right to Information from FOSI	-	8,760,032
	Strengthen Implementation Mechanism of the RTI Laws in KP-OSF-12	6,354,746	-
		<u>6,354,746</u>	<u>8,760,032</u>
10.2	<u>National Endowment for Democracy</u>		
	Advocacy Campaign for Governance Reforms-FATA-V	-	7,743,479
	Advocacy Campaign for Governance Reforms-FATA-VI	7,634,580	645,420
	Advocacy Campaign for Governance Reforms-FATA-VII	1,081,125	-
		<u>8,715,705</u>	<u>8,388,899</u>

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10.3 USAID

TDEA-Women NICs & Voter Registration Campaign Statement-Swabi
TDEA-Women NICs & Voter Registration Campaign Statement-Haripur
DAI-Development of Manuals for operationalization of Section4-5
TEDA-Strengthening Electoral & Legislative Process (SELF) Project
TEDA-Improving Public Service Delivery through RTI in Post Conflict Areas

2020
Rupees**2019**
Rupees

-	491,877
1,674,426	576,800
-	4,063,411
1,692,049	-
3,519,475	-
6,885,950	5,132,088

10.4 Rural Support Program Networks

Health Protection Program (Kohat, Swat, Chitral, Lower Dir, Charsadda)
Health Protection Program-IV
Health Protection Program-V

-	-
-	3,108,068
840,397	1,100,000
840,397	4,208,068

10.5 UNDP

Training for Journalist on Reforms in FATA Governance Project

-	3,353,900
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<u>22,796,798</u>	<u>29,842,987</u>
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11 UNRESTRICTED GRANTS

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

247,503	873,765
10,326	-
87,249	23,000
345,078	896,765

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12 Program cost

PARTICULARS	Strengthen Implementation Mechanism of the RTI Laws in KP- OSF-12	NED-Advocacy Campaign for Governance Reforms-FATA- VI	NED-Advocacy Campaign for Governance Reforms-FATA- VII	USAID-TDEA- Women NICs & Voter Registration Campaign- Haripur TEDA-14	TEDA- Improving Public Service Delivery through RTI in Post Conflict Areas	TEDA- Strengthening Electoral & Legislative Process (SELF) Project	RSPN-Health Protection Program -IV	RSPN-Health Protection Program -V	TOTAL 30-06-2020 Rupees	TOTAL 30-06-2019 Rupees
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PAYMENTS

Project Activities	-	-	-	506,250	-	-	-	-	506,250	1,629,856
Consultancies & Contracts	289,000	317,400	-	-	-	-	-	-	606,400	2,280,000
General & Administrative	351,799	-	805	104,578	63,462	156,930	-	-	677,574	1,090,056
Project Output	118,280	-	-	-	-	-	-	-	118,280	2,180,996
Project Staff	4,973,925	3,174,000	1,054,000	901,771	1,435,380	909,740	179,638	840,362	13,468,816	12,197,928
Travel & Transport	621,742	1,707,263	-	132,710	51,538	159,832	-	-	2,673,085	2,792,424
Communication & Postage	-	-	11,005	-	-	26,100	-	-	37,105	112,942
Legal & Professional	-	-	-	-	-	-	-	-	-	2,540,000
Objectives Civil Society Member	-	-	-	-	471,955	-	-	-	471,955	-
Objective Evidence Generated	-	-	-	-	165,450	-	-	-	165,450	-
Object Journalists from Merg	-	-	-	-	1,294,311	-	-	-	1,294,311	-
Other Direct Cost	-	1,736,040	-	-	-	-	-	-	1,736,040	1,219,014
Awareness Sessions	-	-	-	-	-	-	-	-	-	363,250
Trainings	-	-	-	-	-	229,952	-	-	229,952	462,100
Participant Refreshment	-	-	-	-	-	-	-	-	-	1,539,521
Space & Utilities	-	589,973	8,740	-	-	-	-	-	598,713	496,242
Office Supplies & Equipment	-	96,437	6,575	3,846	37,379	76,250	-	-	220,487	153,684
Bank Charges	-	-	-	-	-	-	-	35	35	8,346
Total	6,354,746	7,621,113	1,081,125	1,649,155	3,519,475	1,558,804	179,638	840,397	22,804,453	29,066,359

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13 GENERAL AND ADMINISTRATIVE EXPENSES

Note	2020 Rupees	2019 Rupees
Salaries & Wages	-	1,093,449
Legal & Professional	-	145,000
W.H.Tax adjustment for the year 2017	-	895,737
W.H.Tax adjustment for the year 2019	384,247	-
Miscellaneous Expenses	-	17,600
Office Rent	439,230	-
E.O.B.I	53,300	-
Bank Charges	178,985	100,794
Depreciation Charges	109,724	121,915
	1,165,486	2,374,495

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

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