

# ANNUAL REPORT 2016

Success

Solution

Business Strategy

Innovation  
Branding  
Solution  
Marketing  
Analysis  
Ideas  
Success  
Management

Innovation  
Branding  
Solution  
Marketing  
Analysis  
Ideas  
Success  
Management



**Pakistan Institute of  
Public Finance Accountants**

## **VISION**

"To be a premier professional body that develops distinguished public finance accountants for the corporate and public sectors."

## **MISSION**

"To contribute towards continuous development, enhancement and strengthening of the field of accountancy, public finance and audit to support economic growth in the country."

## **CORE VALUES**

Professional Excellence

Integrity

Good Governance

Transparency

Accountability

Innovation

Objectivity



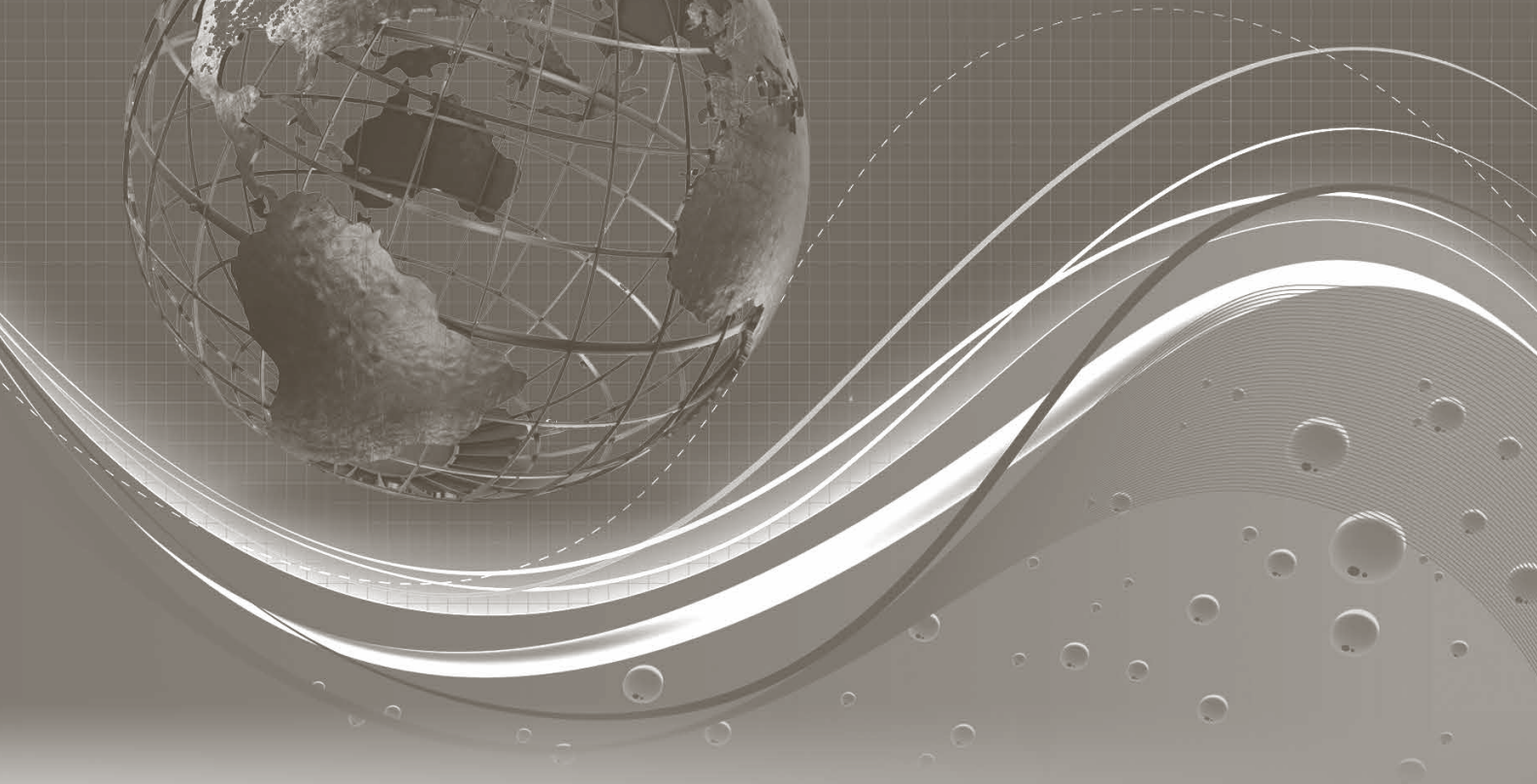
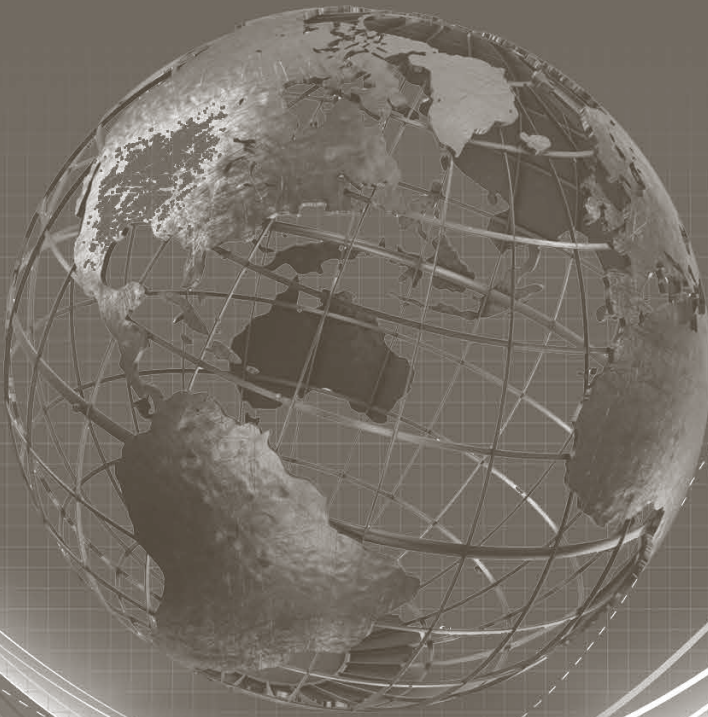
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# 2016

## **Board of Governors**



# BOARD OF GOVERNORS



**Mr. Muhammad Sharif**  
President  
(Elected Member)



**Mr. Imran Iqbal**  
Vice President  
(Nominee of AGP)



**Mr. Raheel Asghar Ginai**  
Secretary  
(Nominee of ICMAP)



**Mr. Sarmad Ahmad Khan**  
Treasurer  
(Nominee of ICAP)



**Mr. Usman Ahsan**  
Joint Secretary  
(Elected Member)



**Mr. Mohammad Maqbool**  
Member  
(Nominee of ICAP)



**Mr. Sajid Hussain**  
Member  
(Elected Member)



**Syed Masood Akhtar**  
Member  
(Nominee of ICAP)



**Mr. Waqar Ali Khan**  
Member  
(Nominee of ICMAP)



**Sayyid Mansoob Hasan**  
Member  
(Nominee of ICMAP)



**Ms. Fauzia Saleem Khan**  
Member  
(Nominee of AGP)



**Mr. Shahid Saleem**  
Member  
(Nominee of AGP)

# 2016

## Past Office Bearers



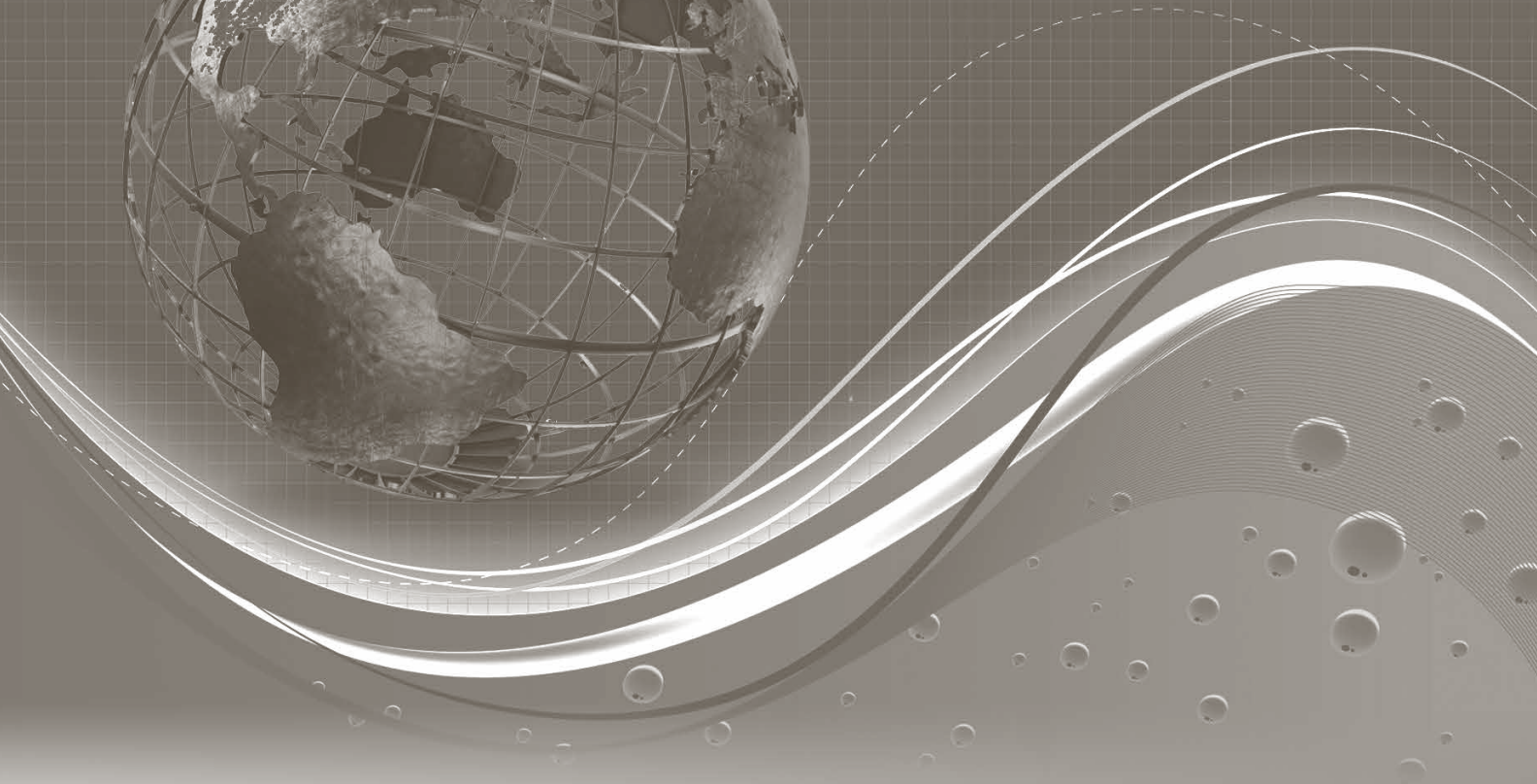
## Past Office Bearers

PERIOD	PRESIDENT	VICE PRESIDENT	SECRETARY	JOINT SECRETARY/ TREASURER
1994-95	Mr. Qaisar Mufti	Mr. Muhammad Yousaf Adil	Mr. Khalid Rafiq	Mr. Mohammad Maqbool/ Mr. Jamal Abbas Zaidi
1995-96	Mr. Mohammad Maqbool	Syed Mujahid Hussain	Mr. Ashraf Bawany	Mr. Jamal Abbas Zaidi/ Mr. Azhar Hussain
1996-97	Syed Mujahid Hussain	Mr. Ashraf Bawany	Mr. Faqir Hussain Khan	Mr. Azhar Hussain Mr. Zulfiqar Ali Kadri
1997-98	Mr. Ashraf Bawany	Mr. Fazal Mehmood	Syed Mujahid Hussain	Mr. Sajid Hussain/ Mr. U. A. Raza
1998-99	Mr. Fazal Mehmood	Mr. Faqir Hussain Khan	Mr. Muhammad Ashraf	Mr. Muhammad Sharif/ Mr. U. A. Raza
1999-00	Mr. Azhar Hussain	Mr. S. T. Rehman	Mr. Muhammad Ashraf	Mr. Muhammad Sharif/ Mr. Khaliq Ur Rehman
2000-01	Mr. Sohail Safdar	Mr. Badruddin Fakhri	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif/ Mr. Khaliq Ur Rehman
2001-02	Mr. Badruddin Fakhri	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif	Mr. Zahid Saeed/ Mr. Zulfiqar Ali Kadri
2002-03	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif	Mr. Abdus Sattar	Mr. Zulfiqar Ali Kadri
2003-04	Mr. Faqir Hussain Khan	Mr. Zulfiqar Ali Kadri	Mr. Abdul Rahim Suriya	Mr. Mehmood Ahmad Lodhi/ Mr. Zulfiqar Ali Kadri
2004-05	Mr. Zulfiqar Ali Kadri	Mr. Azam Khan Shad	Mr. Hidayat Ali Khan	Mr. Muhammad Sharif
2005-06	Mr. Azam Khan Shad	Mr. Hidayat Ali Khan	Mr. Muhammad Sharif	Mr. Khalid Ali Shah
2006-07	Mr. Arif Mansur	Mr. Muhammad Sharif	Mr. Muhammad Junaid	Mirza Munawar Hussain
2007-08	Mr. Muhammad Sharif	Mr. Sameen Ashgar	Mirza Munawar Hussain	Syed Shahid Hussain Jafri
2008-09	Mr. S. M. Awais Mr. Ejaz Ali Pirzda	Mirza Munawar Hussain	Mr. Rashid Rahman Mir	Mian Muhammad Shoaib
2009-10	Mirza Munawar Hussain	Mr. Rashid Rahman Mir	Mian Muhammad Shoaib	Dr. Syed Turab Hyder
2010-11	Mr. Rashid Rahman Mir	Mr. Sajid Hussain	Syed Imtiaz Hussain Bukhari	Mr. Shahzad Ahmad Awan
2011-12	Mian Muhammad Shoaib Mr. Sajid Hussain	Dr. Syed Turab Haider	Mr. Shahzad Ahmad Awan	Mr. Adnan Zaman
2012-13	Dr. Syed Turab Hyder Mr. Muhammad Ashraf Shaikh	Mr. Shahzad Ahmad Awan	Mr. Rifaqatullah Babar Mr. M. Sharif Tabani	Mian Muhammad Shoaib
2013-14	Mr. Shahzad Ahmad Awan	Mr. Mohammad Maqbool	Mr. Sajid Hussain	Mr. Shahzad Raza Syed
2014-15	Mr. Mohammad Maqbool	Mr. Muhammad Sharif	Mr. Shahzad Raza Syed Mr. Imran Iqbal	Syed Masood Akhtar/ Khawaja Ehrar-ul-Hassan



# 2016

## **Standing Committees**





# Standing Committees

## EXECUTIVE COMMITTEE

Mr. Muhammad Sharif	Chairman
Mr. Imran Iqbal	Member
Mr. Raheel Asghar Ginai	Member
Mr. Sarmad Ahmad Khan	Member
Mr. Usman Ahsan	Member

## BOARD OF STUDIES

Mr. Usman Ahsan	Chairman
Mr. Mohammad Maqbool	Member
Mr. Raheel Asghar Ginai	Member
Mr. Imran Iqbal	Member
Mr. Iftikhar Ahmed	Member
Mr. Nazim Raza	Member
Syed Ahsan Aman	Member

## EXAMINATION COMMITTEE

Mr. Imran Iqbal	Chairman
Mr. Mohammad Maqbool	Member
Mr. Sajid Hussain	Member
Mr. Raheel Asghar Ginai	Member
Ms. Fauzia Saleem Khan	Member

## REGULATION AND DISCIPLINARY COMMITTEE

Sayyid Mansoob Hasan	Chairman
Mr. Sajid Hussain	Member
Mr. Shahid Saleem	Member

## PUBLICATION AND SEMINAR COMMITTEE

Mr. Usman Ahsan	Chairman
Mr. Imran Iqbal	Member
Mr. Sarmad Ahmad Khan	Member
Mr. Waqar Ali Khan	Member
Mr. Rao Sabir Ali	Member
Mr. Shaukat Hussain	Member
Ms. Sana Wiqar	Member
Ms. Sadia Yasmin	Member
Mr. Asher Noor	Member

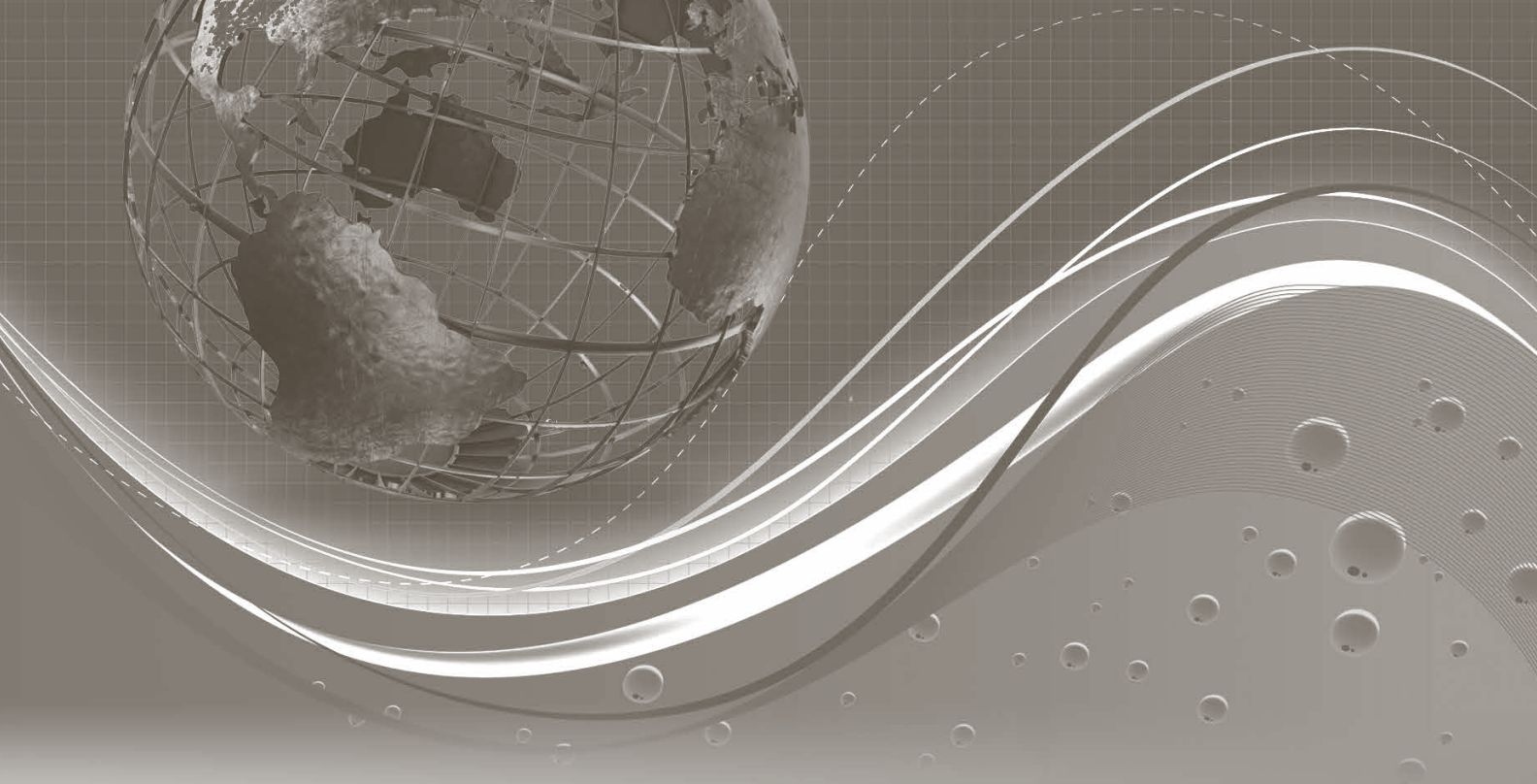
## TECHNICAL COMMITTEE

Mr. Mohammad Maqbool	Chairman
Sayyid Mansoob Hasan	Member
Ms. Fauzia Saleem Khan	Member
Mr. Sarmad Ahmad Khan	Member
Mr. Usman Ahsan	Member



# 2016

## **Management of the Institute**



# Management of the Institute



**Ms. Rana Nazir Fatima**  
Acting Executive Director & Director Examination



**Mr. Muhammad Naeem Akhtar**  
Additional Director



**Mr. Atiq-ur-Rehman**  
Deputy Director Education



**Mr. Jamshaid Riaz**  
Deputy Director Examination



**Mr. Vijay Kumar**  
Deputy Director Education



**Mr. M. Taha Ali Khan**  
Chief Accountant



**Mr. Zubair Muhammad**  
Asst. Director Member's Affairs



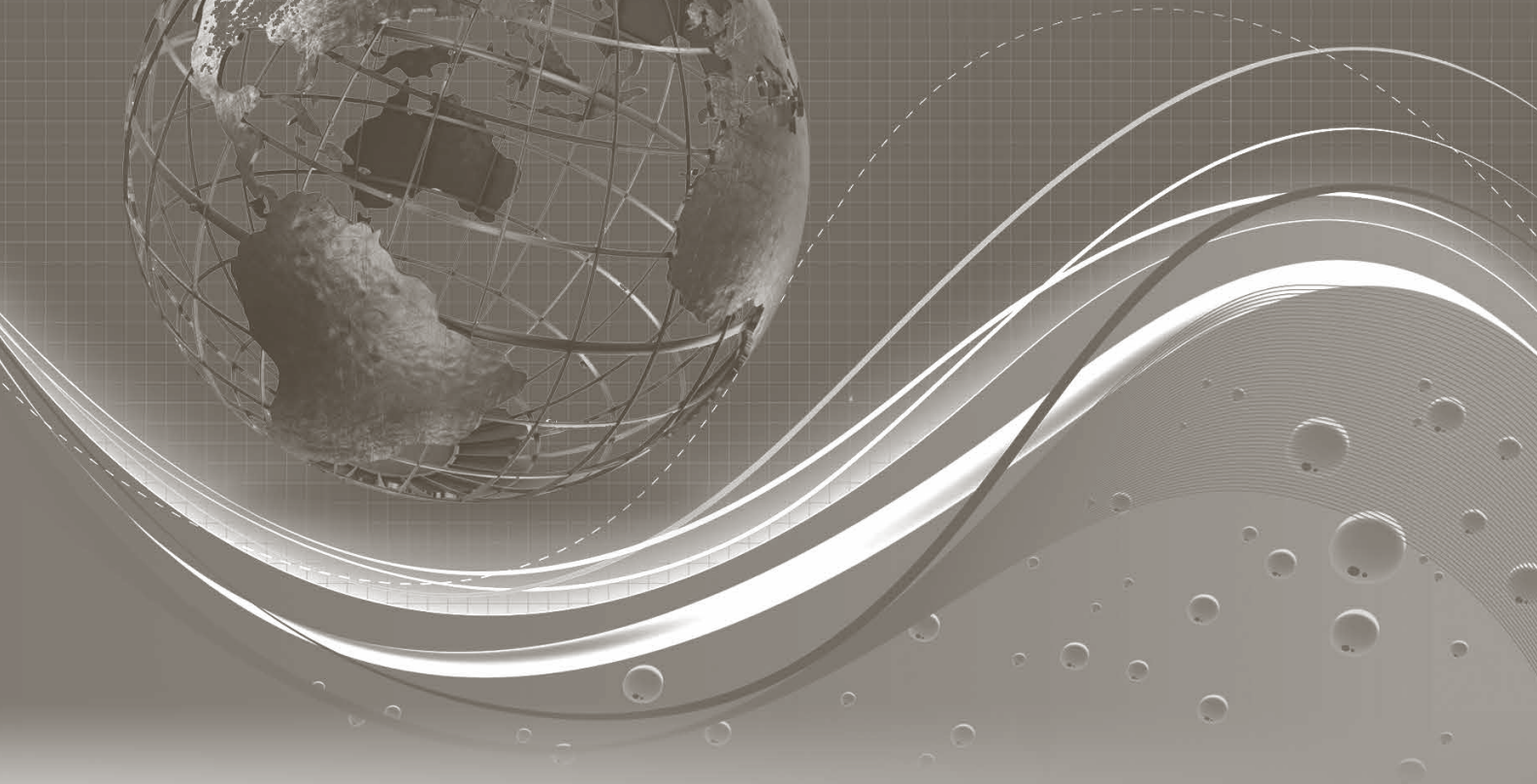
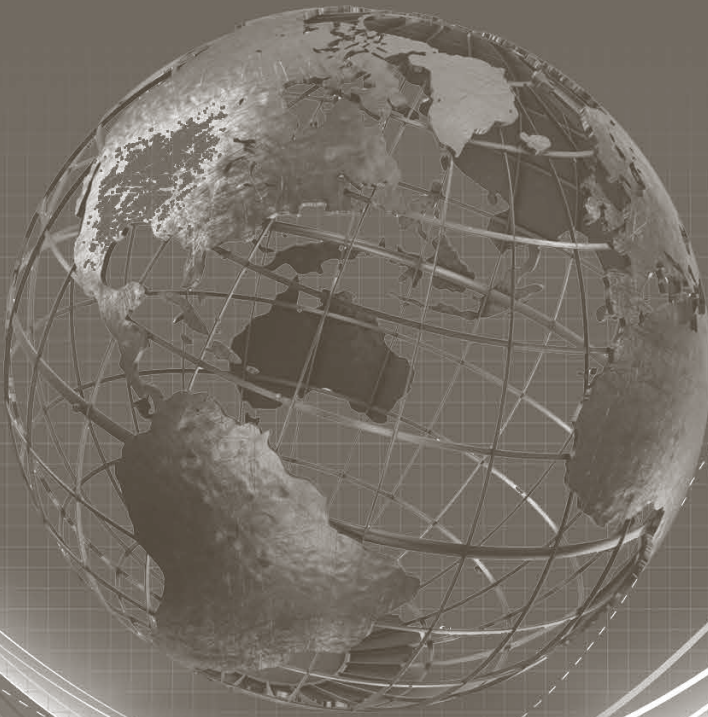
**Mr. Meraj Ali Jan**  
Asst. Director



**Mr. Muhammad Aslam Tahir**  
Asst. Director

# 2016

## **Notice of Annual General Meeting**



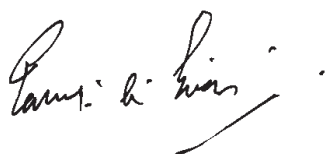
# Notice of Annual General Meeting

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of Pakistan Institute of Public Finance Accountants (PIPFA) will be held at ICAP Building, Chartered Accountants Avenue, Clifton, Karachi and connected through Video Conference at ICAP offices Lahore, Islamabad and Faisalabad on **Saturday, October 29, 2016 at 3:30 PM** to transact the following business;

## Ordinary Business

1. To read and confirm the minutes of the 22<sup>nd</sup> Annual General Meeting held on Saturday, October 31, 2015 at 3:30 PM at ICMA Pakistan Building, Plot No. 16, Sector H-9, Islamabad and connected through video conference at ICMA Pakistan Karachi, Lahore and Faisalabad.
2. To receive, consider and adopt the audited financial statements of the Institute for the year ended June 30, 2016 together with the Reports of the Auditors and the Board of Governors thereon.
3. To appoint Auditors for the year 2016-17 and fix their remuneration.
4. Any other business with the permission of the Chair.

## By order of the Board



**Raheel Asghar Ginai**

Secretary

October 07, 2016

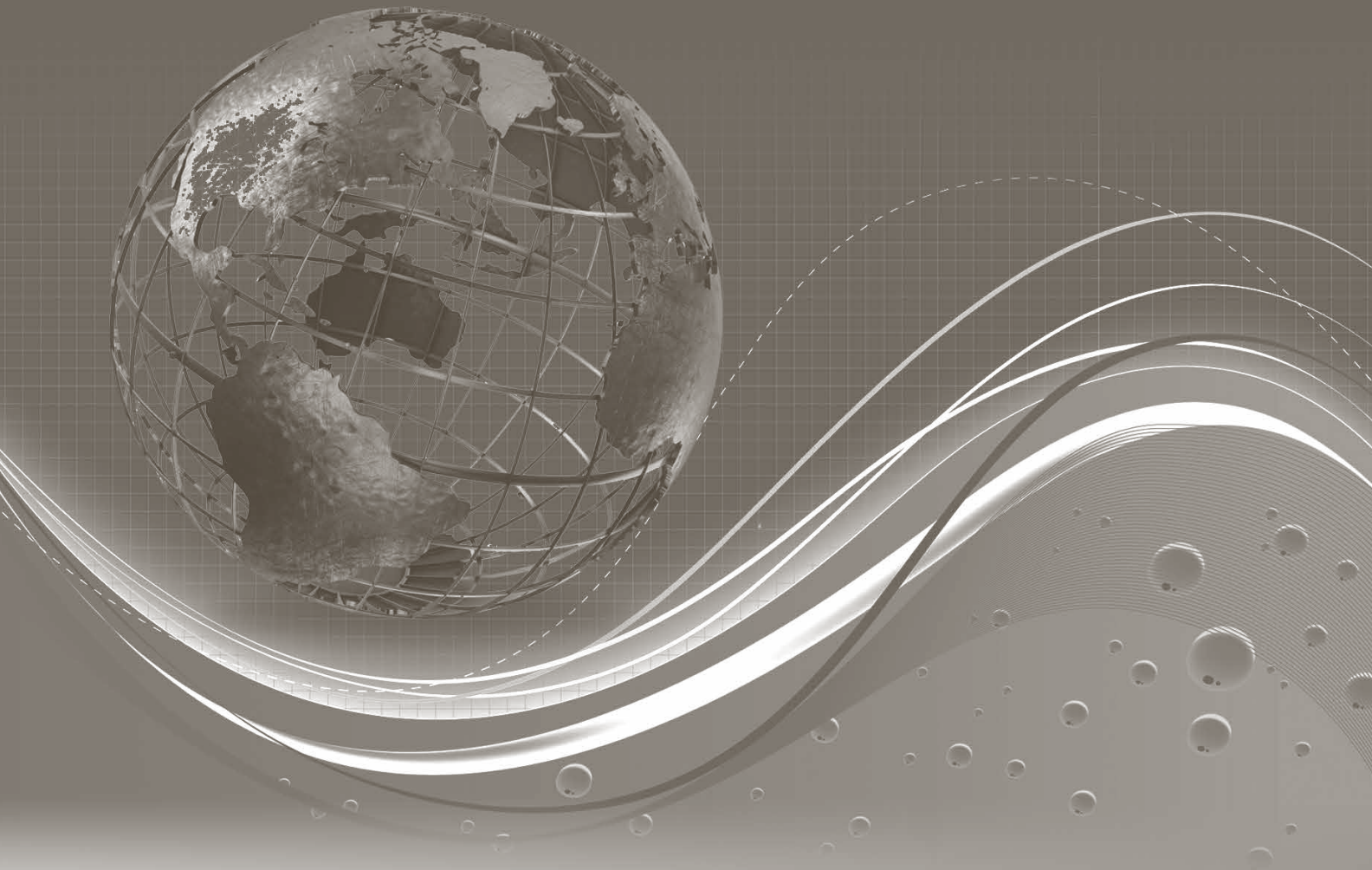
## Notes:

- a) PIPFA Members admitted up to June 30, 2016 and not having any membership dues outstanding as on August 31, 2016 are eligible to attend and vote.
- b) A member entitled to attend this meeting may appoint any other eligible member as his/her proxy to attend the meeting and vote therein.
- c) Members are requested to notify any change in their address(s) and signature, immediately and always quote Membership Number in all communications with the institute.



# 2016

## President's Review





## PRESIDENT'S REVIEW

It is my privilege to present the 23rd Annual Report of the Institute. We have high expectations from all stakeholders including government departments and sponsoring bodies. We aim to develop a strong culture of success and high achievement in both Public & Corporate sectors. We continue to deliver our strategic commitment which drives operational performance and creates value for our students and members. We remain strongly committed to providing quality professional education at minimum cost and enhanced acceptability of our members at local & international level.

Economies which look for financial stability, keep a strong emphasis on governance and public financial management. Pakistan Institute of Public Finance Accountants is imparting education in the field of Public Financial Management to develop specialized Professional Accountants. Being an Associate Member of the International Federation of Accountant (IFAC), its education is globally recognized. PIPFA's qualification is a ready recognition of professional standing and opens up bright career opportunities in industry, trade and services both in public and private sectors.

Although the Annual Accounts for the year show deficit, but we are optimistic that the Institute's financial performance will improve in 2016-17. We are pleased with the overall performance of the institute this year and are optimistic by the opportunities we see as we are expanding our outreach. Our performance this year was also a product of the collaborative effort of our Board Members and our management team at PIPFA. The Board of Governors, through the various Board Committees, provided guidance and valuable insights in these difficult times. Our management and staff, in turn, responded with effective execution of strategy.

### **Here are some highlights of the year:**

- ICAP has restored its exemption policy for PIPFA from January 2016. PIPFA Qualified/Members are now allowed to claim exemptions from multiple courses of CA Pakistan. It is an achievement of PIPFA Board of Governors to place PIPFA's point of view before ICAP council and get the exemptions restored.
- PIPFA added one more feather to its cap by signing an MOU with world's renowned professional body, Certified Institute of Public Finance Accountants (CIPFA, UK) in October 2015. The only professional accountancy body exclusively dedicated to public finance in the world; this initiative will bring Public Finance Management reforms in Pakistan and enhance the capacity of our national institutions engaged in Public Financial Management. The MOU creates a basis for cooperation and collaboration between the two Institutes which focuses on developing the accounting profession in Pakistan's public sector to strengthen financial management. The MOU will explore membership routes to give PIPFA members a chance to join CIPFA as an Affiliate.
- As discussed in last report, to address the challenges caused by constantly changing environment, PIPFA revamped the syllabus last year and made it effective from winter 2015. Revamped syllabus has received much appreciation from professional circles especially due to its alignment with IFAC's recommendations.
- We at PIPFA are specially considering to promote PIPFA qualification in Public sector as there is a need to provide professional competency to Public Sector Accountants & Auditors.
- Recently PIPFA has introduced Gateway Examinations for ICAP & ICMAP's finalists which will not only open avenues for students but also will help increasing the membership of PIPFA.
- PIPFA has adopted new CBE software with new advanced features.
- I am pleased to share with you that PIPFA has acquired its own building in Lahore and a state of the art and well equipped campus is ready to facilitate and cater the needs of our students and members.

As in the past, the current year also a rising trend in qualified members and students was observed as under, that shows the trust, professionals are putting in PIPFA education;

	2016	2015
Member's Enrollment	7,048	6,769
Student's Enrollment	30,753	30,096

To keep its members and students updated about current market practices, institute continuously strives to arrange Continuous Professional Development (CPD) activities. The current year witnessed the mega conference titled as "Public Financial Management Conference" organized by PIPFA and CIPFA duly endorsed by Department of Auditor General of Pakistan. The conference was a big success. Various other seminars were also organized all over Pakistan on topics such as Corporate Taxation, Provincial Sales Tax Laws, Resume Writing and Interviewing Skills, Examination Techniques etc. To further strengthen the brand image of the institute, PIPFA participated in Jang Education Expo in five major cities of Pakistan.

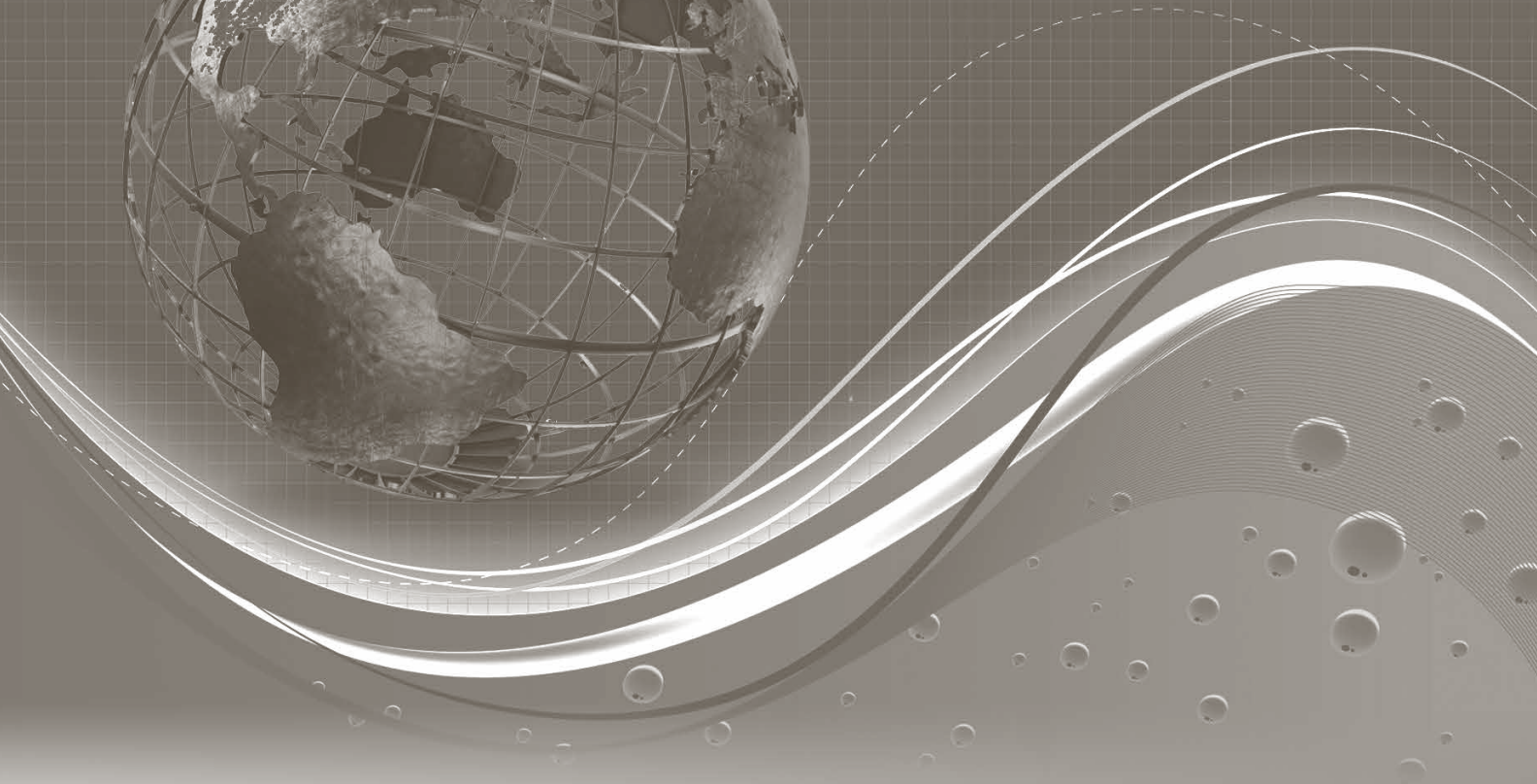
Taking this opportunity, I express my sincere gratitude to my fellow board members, without their active support, these achievements would have not been possible. Finally, I would like to acknowledge hard work and dedication of human assets at PIPFA for serving students and members, up to their expectations.

Muhammad Sharif, FPFA, FCMA, L.L.B



# 2016

## **Report of the Board of Governors**





# Report of the Board of Governors

The Board of Governors, Pakistan Institute of Public Finance Accountants (PIPFA) is pleased to present the Annual Report for year 2015-16 along with audited Financial Statements for the year ended June 30, 2016. In moving closer to the envisioned objective of Continuous Development, Enhancing & Strengthening of our Institute in the field of Public Accountancy, the Board has strived to make real progress in various areas as follows;

## FINANCIAL PERFORMANCE HIGHLIGHTS

The financial performance for the year has been as follows;

	2015-16 Rs.	2014-15 Rs.
Revenues	35,744,690	36,812,815
Expenses	37,999,997	39,904,965
Loss for the year	(2,255,307)	(3,092,150)

The management has taken all the possible steps to not only contain and reduce the losses but also to make the institute sustainable. The loss for the year was mainly due to considerably lower intake in the public sector education program. In this regard, rigorous steps were taken by the present Executive Committee including but not limited to setting of aggressive targets for student enrollments in both Public and Corporate sectors, increasing memberships, rationalizing various fee structure for students & members, taking austere measures on non development expenditures, working with minimum staff personnel without compromising on the deliverables and exploring new avenues for more income streams for the Institute by introducing gateway examinations and other capacity building short courses. We are confident that with the right policies in place, we will significantly enhance the financial performance and position of the Institute in a very short span of time.

## GOOD GOVERNANCE INITIATIVES

In moving further to the Objective of Good Governance, the Board has established an independent Audit Committee in the current year comprising of members independent of the Board to work as an oversight body to monitor and evaluate the accounting and internal controls of the Institute and provide recommendations to the Board. The Audit Committee also provides its recommendations and observations on the financial statements, compliance on taxation, secretarial and other statutory obligations and works as a liaison with the statutory auditors.

The branch committees have been further strengthened by involving them in various working committees of the Board including the Board of Studies and Publications and Seminar Committee. This has fast tracked the process of more participative growth for the institute and cultivated an atmosphere of ownership by the members.

## MEMBERS STATISTICS

Our members are the most important and integral part of the Institute which ensure good governance, continuous progress & development and warrant transparency. An increase in membership demonstrates the trust in the continuous enhancement of the professional value and prestige of the institute. The number of our members rose by 279 with total membership at 7,048 as of June 30, 2016. Out of the total membership, 32% is from the Public Sector, which reflects the firm confidence of Government Departments and Organizations in PIPFA Education & Training.

## STUDENTS ENROLMENTS

The student enrollment increased by 657 in the current year and the overall number of enrollments stood at 30,753 as on June 30, 2016. This modest increase was mainly due to sharp decline of enrollments received from the public sector. The corporate sector enrollment was marred by the fact that ICAP had earlier withdrawn the exemptions for PIPFA qualified students which was later restored but was notified with much delay repelling many new enrollments in this year. Now with restoration of exemptions by ICAP, granting paper to paper exemption by ICMAP, extensive publicity campaigns for admissions and regular follow up with Public Sector Organizations for increasing nominations, we expect a very healthy increase in the enrollments of our both Corporate and Public sectors education programs in next year.



## EDUCATIONAL PROGRAMS

### *Corporate Sector*

With revamping of this education program last year, followed by obtaining enhanced exemptions from sponsoring and other professional accountancy bodies, PIPFA Corporate Sector Education Program has realigned its strategic position as third largest Professional Accountancy Body of Pakistan and witnessed a growth in students' enrollments. We have 13 approved educational institutes across 8 cities of Pakistan besides PIPFA's own Coaching Centers in four different cities. The Board has laid special emphasis on resolving every issue in this sector on fast track basis through continuous review process of the Board of Studies. Issues related to the granting of exemptions to various educational credentials, developing revised faculty hiring and evaluation criteria and addressing issues related to information desk capacity building.

### *Government Sector*

The number of registrations in this sector grew considerably by 37%, which cements our firm commitment in enabling sound public financial management in the country. The education classes of this sector are being conducted at major cities of Pakistan including Karachi, Lahore, Islamabad, Multan, Quetta and Peshawar. It is an immense pride for PIPFA to conduct professional coaching classes for the nominated employees of so many government entities including AGP, CGA, PMAD, Punjab Government (Finance Department.), LFA-AJK, NHA, CDA, Pakistan Post Office Department and Pakistan Railways Accounts Department.

A Sub-committee of BOS was formed for the public sector. It was tasked to engage with all the public sector organizations and offer them PIPFA Education/Training. This Sub-committee rigorously engaged in person and in writing with KPK, Sind & Baluchistan Governments, SNGPL, SSGC, OGDCL, HMC, HEC, NLC, WAPDA (Residual), PEPCO and its companies including generation companies (GENCOS), distribution companies (DISCOS) and NTDC, public sector Universities, Medical Universities/Colleges and attached teaching hospitals, autonomous hospitals & colleges, TEVTA, LDA and other development authorities. This aggressive outreach is bearing fruit and many students belonging to these new organizations have already sought registration in the current session. We are glad to inform that formal agreements for capacity building of human resources of Finance Department of KPK Government, WAPDA, PEPCO & its subsidiaries are at final stages. An MoU is also under process with the University of Agriculture, Faisalabad for exploring mutual areas of interest including training of their personnel.

The Sub-committee, through correspondence and meetings with notable public sector organizations including AGP, CGA, PMAD, Railway Accounts and Punjab Finance Department, invited their suggestions for improvement of the quality of education/training at PIPFA. We express our heartiest gratitude for the valuable suggestions as these have been most instrumental in further improvement and success of PIPFA.

## ADOPTION OF IFAC CODE OF ETHICS

Being associate member of the IFAC, PIPFA has adopted Part A and Part C of the IESBA Code of Ethics, 2015 Edition relating to the General Application of the Code and Professional Accountants in Business respectively developed by the IESBA without translation and changes. The code of ethics requires members to strictly comply with five fundamental principles i.e. Integrity, Objectivity, Professional Competence & Due Care, Confidentiality and Professional Behavior. The objective of this adoption was to bring PIPFA members at par with global standards of conduct.

## LAHORE OFFICE BUILDING INAUGURATION

The Lahore office has been shifted to the newly renovated and spacious building located at New Garden Town, Lahore in June 2016 which is fully equipped with all the requisite facilities for students and members. Beside four spacious class rooms, it also houses independent Reception/Front Desk chamber, Conference Room, Faculty Room and two Executive Rooms. Grassy Park within the premises provides ample space for recreational time and ample parking space is also a convenience. All the rooms are fully air-conditioned with facility of gas heaters during winter season. While designing the building, future expansion needs were duly addressed and there is a provision to construct two more floors. We believe that this impressive building will further strengthen our professional standing besides catering to our expansion needs.

## INTRODUCTION OF GATEWAY EXAMINATIONS

During the current year, PIPFA has launched a new path of direct examination for partly qualified students of ICAP and ICMAP. Presently, these examinations are tailored for ICAP students passed up to CA Inter/Module-D/CAF and ICMAP

students passed up to Semester-4. The scope may be enhanced to other professional bodies in the future. Upon passing this fast track Gateway Examination, the aspirants will be declared PIPFA Qualified and eligible for PIPFA Membership. This entry route, while addressing the largely untapped market of partly qualified students of ICAP and ICMAP desirous of obtaining internationally accredited qualification, will significantly increase the membership of the Institute.

### **PUBLIC FINANCIAL MANAGEMENT CONFERENCE**

As sole Public Finance Accounting Body of Pakistan, PIPFA has been very proactive and taken tangible steps to inculcate the importance of Public Accounting in the Government Sector. A mega Public Financial Management Conference was organized in October 2015 in collaboration with Certified Institute of Public Finance Accountancy (CIPFA) which was attended by the Auditor General of Pakistan and various other Government dignitaries besides overwhelming participation from the members and students of PIPFA, ICAP and ICMAP. The conference received coverage in the national TV Channels and Print Media which helped disseminate the message to the public.

### **MEMORANDUM OF UNDERSTANDING WITH CIPFA**

In October 2015, PIPFA signed an MoU with Certified Institute of Public Finance Accountants (CIPFA) by virtue of which PIPFA members have become eligible for claiming Affiliate Status with CIPFA. After the MoU, PIPFA has also introduced optional papers at different levels of the Corporate Sector Education Program which are directly related to public finance accounting i.e. Strategy and Policy Development, Public Service Financial Reporting and Business & Change Management. A student desirous of pursuing CIPFA can qualify PIPFA with these optional papers and obtain enhanced exemptions in CIPFA qualification.

### **FUTURE OUTLOOK**

The Board is rigorously working to further elevate the esteem and recognition of PIPFA at national and international level. The Technical Committee of the Board is working very closely with IFAC to fulfill all the associate member obligations by implementing, adopting and following the policies, rules and guidelines set by various standard setting bodies of the same. In quest to achieve highest level of reciprocal exemptions from various IFAC member bodies, PIPFA has revamped its course of study and also fulfilled the prerequisites laid down by Higher Education Commission (HEC) for equivalency of PIPFA qualification as Associate degree. We expect to have a positive response on this matter from the HEC which will significantly boost PIPFA qualification. New MoUs/agreements with various Public Sector organizations/corporations are in the final stages which are also expected to yield positive results in the next year.

The Board has chalked out new strategies to further enhance the awareness level of the Corporate Sector Organizations regarding the professional strength and abilities of PIPFA members.

With improved curriculum and focused CPD activities, it is expected that the professional quality of our future members will be improved and they will be able to have better market recognition.

It is a matter of immense pleasure that with continuous follow ups and efforts of the Board, the long standing refund claim of Rs.12.11 (M) which was invested with IIBL, has been accepted by the Lahore High Court, Lahore, out of which a recovery of Rs.10.00 (M) is expected shortly, which will improve the financial position of the institute.

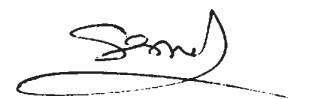
### **ACKNOWLEDGEMENT**

We appreciate the dedicated work put in by the entire team of PIPFA Secretariat and our various offices nationwide. The extensive hard work by our employees is the most essential ingredient for efficient and tangible results achieved through the various standing committees of the Board. We further acknowledge the role of our recently established Audit Committee in ensuring good governance and all our Branch Committee members for the work they have done to help us in continued professional development of our members and students.



**President**

Date: September 17, 2016

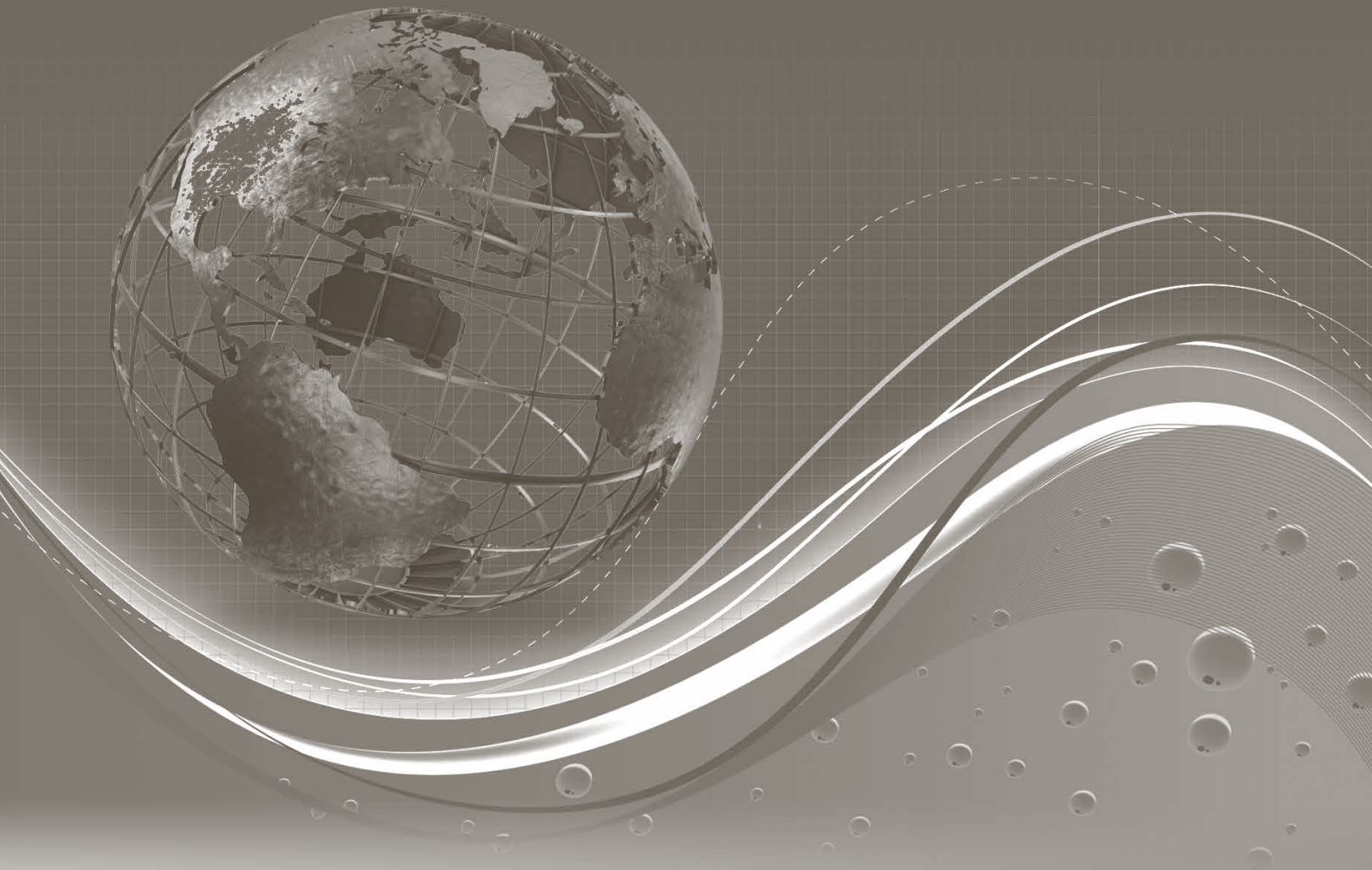


**Treasurer**



# 2016

## **Auditors' Report**



# Auditors' Report To The Members

We have audited the annexed balance sheet of PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS, Karachi (the Institute), as at June 30, 2016 and the related income and expenditure account, cash flow statement and statement of changes in funds together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and the explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Institute's management to establish and maintain a system of internal controls, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Institute as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - i) the balance sheet and income and expenditure account and cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Institute's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Institute;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account and cash flow statement and statement of changes in funds, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Institute's affairs as at June 30, 2016 and of its financial performance, its cash flows and changes in funds for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

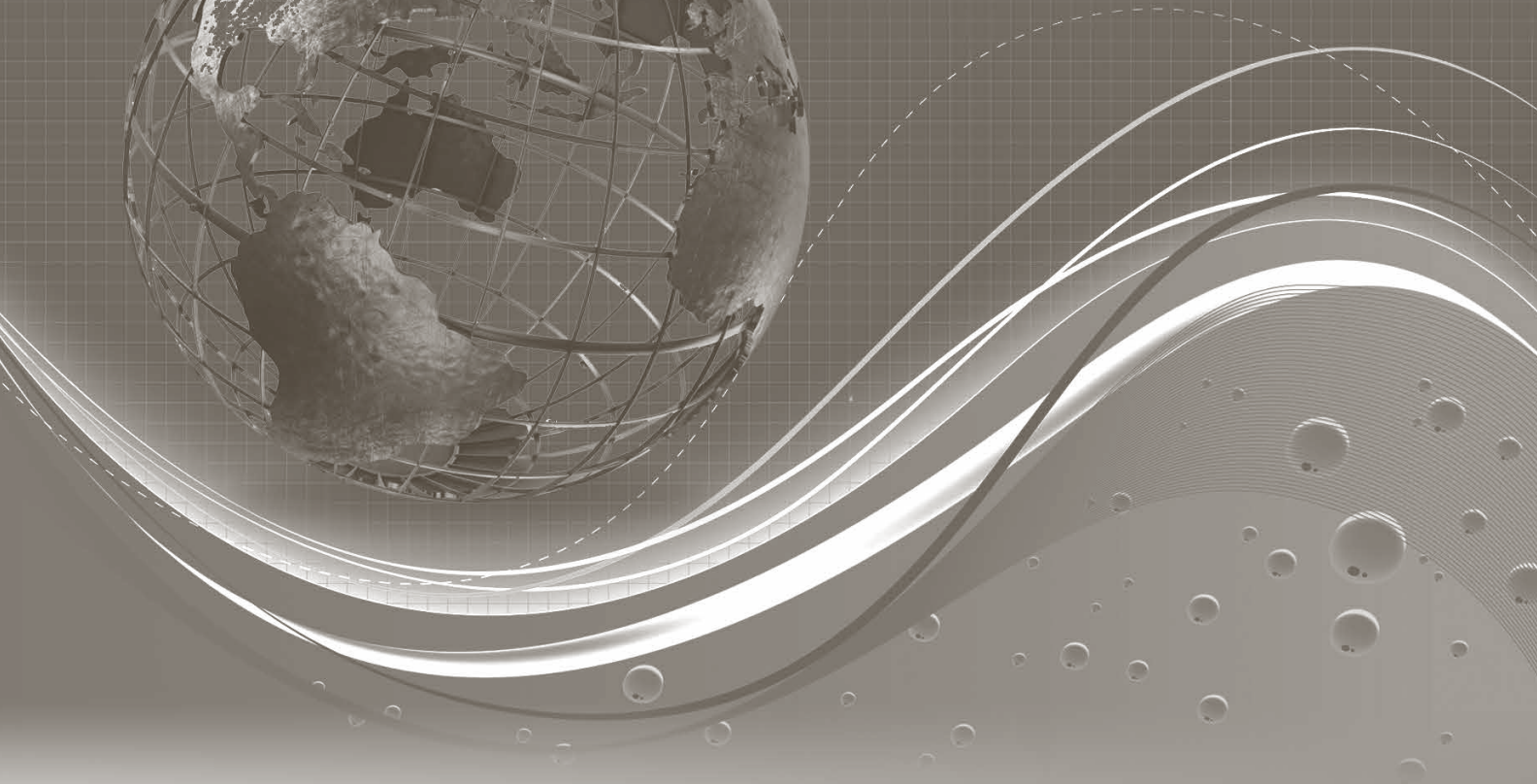
*Ibrahim, Shaikh & Co*

**IBRAHIM, SHAIKH & CO.**  
 CHARTERED ACCOUNTANTS  
 SHABBIR AHMED  
 KARACHI: 17 September, 2016



# 2016

## **Financial Statements**



**BALANCE SHEET**

AS AT JUNE 30, 2016

	Note	2016 RUPEES	2015 RUPEES
<b>NON CURRENT ASSETS</b>			
Property and equipment	3	24,562,095	22,774,978
Intangible	4	109,809	164,705
Investment Property	5	1,192,002	1,254,739
Investments	6	-	-
<b>CURRENT ASSETS</b>			
Short term investments	7	-	6,000,000
Loans and advances	8	185,475	247,080
Trade deposits, prepayments and other receivables	9	8,848,105	9,289,863
Cash and bank balances	10	8,006,212	8,428,910
		17,039,792	23,965,853
<b>TOTAL ASSETS</b>		<b>42,903,698</b>	<b>48,160,275</b>
<b>NON CURRENT LIABILITIES</b>			
Members' subscription	11	5,352,018	4,907,805
Deferred Liabilities	12	3,310,632	3,171,590
<b>CURRENT LIABILITIES</b>			
Current maturity members' subscription		642,160	579,950
Accrued and other liabilities	13	1,349,369	4,996,104
		1,991,529	5,576,054
<b>TOTAL LIABILITIES</b>		<b>10,654,179</b>	<b>13,655,449</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14	-	-
<b>NET ASSETS</b>		<b>32,249,519</b>	<b>34,504,826</b>
<b>FINANCED BY</b>			
GENERAL FUND		32,249,519	34,504,826
<b>TOTAL GENERAL FUNDS</b>		<b>32,249,519</b>	<b>34,504,826</b>

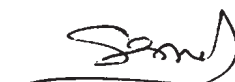
The annexed notes form an integral part of these financial statements.



Chief Accountant



Acting Executive Director



Treasurer



President



# INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 RUPEES	2015 RUPEES
<b>INCOME</b>			
Students' registration and annual subscription fee	15	5,379,700	5,956,120
Examination and exemption fee	16	14,620,906	15,612,110
Members' registration and annual subscription fee	17	4,170,160	3,378,952
Coaching fee	18	9,973,900	8,961,450
Other income	19	1,600,024	2,904,183
		<u>35,744,690</u>	<u>36,812,815</u>
<b>EXPENDITURE</b>			
Examinations' department expenses	20	9,445,787	8,757,070
Members' department expenses	21	2,460,549	2,549,980
Coaching department expenses	22	16,004,850	16,990,351
Administration expenses	23	10,088,811	11,607,564
		<u>37,999,997</u>	<u>39,904,965</u>
<b>(Deficit) transferred to General Fund</b>		<b><u>(2,255,307)</u></b>	<b><u>(3,092,150)</u></b>

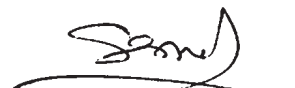
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Chief Accountant



Acting Executive Director



Treasurer



President



Pakistan Institute of Public Finance Accountants



# CASH FLOW STATEMENT

## FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 RUPEES	2015 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>( Deficit ) for the year</b>		(2,255,307)	(3,092,150)
Members' subscription-advance		506,423	245,405
<b>Adjustment for non cash charges:</b>			
Depreciation		645,775	727,162
Amortization		54,896	82,340
Deferred liabilities		139,042	210,314
<b>Operating ( Deficit ) before changes in Working Capital</b>		<b>(909,171)</b>	<b>(1,826,929)</b>
<b>(Increase) / decrease in Current Assets</b>			
Short term investment		6,000,000	(1,000,000)
Loans and advances		61,605	43,291
Trade deposits, prepayments and other receivables		441,758	3,705,028
<b>Increase/ (Decrease) in Current Liabilities</b>			
Accrued and other liabilities		(3,646,735)	1,230,412
<b>Net Cash Flows from Operating Activities</b>		<b>1,947,457</b>	<b>2,151,802</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Encashment of investment		-	5,100,000
Fixed capital expenditure		(2,370,155)	(2,037,285)
<b>Net Cash Flows from Investing Activities</b>		<b>(2,370,155)</b>	<b>3,062,715</b>
Net Increase / (Decrease) in Cash and Cash Equivalents		(422,698)	5,214,517
Cash and Cash Equivalents at the beginning of the year		8,428,910	3,214,393
<b>Cash and Cash Equivalents at the end of the year</b>	<b>25</b>	<b>8,006,212</b>	<b>8,428,910</b>

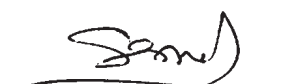
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Chief Accountant



Acting Executive Director



Treasurer



President



# STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	2016 RUPEES
<b>General Fund</b>	
Balance as at June 30, 2014	37,596,976
(Deficit) transferred from income and expenditure account	(3,092,150)
Balance as at June 30, 2015	34,504,826
(Deficit) transferred from income and expenditure account	(2,255,307)
<b>Balance as at June 30, 2016</b>	<b>32,249,519</b>

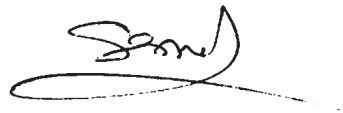
The annexed notes form an integral part of these financial statements.



Chief Accountant



Acting Executive Director



Treasurer



President

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2016

### 1. THE INSTITUTE AND ITS OPERATIONS

Pakistan Institute of Public Finance Accountants (PIPFA) was incorporated on 28th of October, 1993 as public company limited by Guarantee under section 42 of the Companies Ordinance, 1984. PIPFA was established jointly by the Institute of Chartered Accountants of Pakistan (ICAP), Institute of Cost and Management Accountants of Pakistan (ICMAP) and Department of Auditor General of Pakistan (AGP). At the inception, the name of the institution was "The Association of Accounting Technicians of Pakistan (AAT)" which was changed to the present name in August 2000. PIPFA is a not for profit organization wholly committed to accounting education and development.

Registered Office of the Institute is situated at M1 & M2, Park Avenue, Mezzanine Floor, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi – 75400.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Significant Accounting Policies adopted in the preparation of these financial statements are set out below:

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance 1984. In case requirements differ, the provisions or directives of the Companies Ordinance 1984 shall prevail.

#### 2.2 Accounting Convention

These Financial Statements have been prepared under historical cost convention.

#### 2.3 Property and Equipment

- These are stated at cost less accumulated depreciation. Depreciation on all property and equipment is charged on reducing balance method. Full month's depreciation is charged in the month of addition while no depreciation is charged in the month of disposal.
- Maintenance and normal repairs are charged to income as and when incurred.
- Major renewals and improvements are capitalized.
- Gains and losses on disposal of property and equipment are included in the income.
- Study materials, publications and stationary costs are charged to income as and when incurred.

2.3.1 Depreciation methods, residual values and useful lives of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

#### 2.4 Intangible

This represents cost of computer software less amortization at the rate of 33% per annum using the reducing balance method and impairment, if any.

#### 2.5 Investment property

Investment property is held for long term rental yields/capital appreciation. The investment property of the Institute



comprises of office and is valued using the cost method i.e. at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs.

Depreciation is charged to income and expenditure account on the reducing balance method so as to allocate the depreciable amount over its estimated useful life. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off.

The residual values and useful lives of investment property are reviewed at each balance sheet date and adjusted if impact on depreciation is significant.

The company assesses at each balance sheet date whether there is any indication that the investment property may be impaired. If such indication exists, the carrying amounts of such assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the income and expenditure account. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future period to allocate the assets' revised carrying amount over its estimated useful life.

The gain or loss on disposal of investment property represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense.

## 2.6 Investments

Held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the income and expenditure account over the period of the investments on an effective yield method.

## 2.7 Taxation

The Institute is a Not for Profit Organization under section 2 (36) the Income Tax Ordinance 2001, and is also exempt from income tax under clause (58A) of the Second Schedule of the Income Tax Ordinance, 2001 being an educational institution established solely for educational purposes and not for purposes of profits.

## 2.8 Financial Assets and Liabilities

All financial assets and liabilities are recognized at the time when the Institute becomes a party to contractual provisions of the instrument. Any gain and loss on derecognition of the financial assets and liabilities is taken to income and expenditure account.

Financial assets are recognized at the time when the Institute loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and liabilities is taken to income and expenditure account.

## 2.9 Provisions

Provisions are recognized in the balance sheet when the Institute has a legal or constructive obligation as a result of past events and it is probable that out flow of economic benefits will be required to settle the obligation and a reliable

estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

## 2.10 Staff Retirement Benefits

The Institute operates unfunded gratuity scheme for its staff. The provision is made periodically and the benefits are payable to staff on completion of prescribed qualifying period of service under the scheme.

## 2.11 Creditors, Accrued and Other Liabilities

Liabilities for creditors and for other amounts payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Institute.

## 2.12 Cash and Cash Equivalents

Cash and Cash Equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current and saving accounts.

## 2.13 Revenue Recognition

- Income from fees and subscriptions from members and students is recognized on receipt basis, except in case of life and special membership cases, where subscription received from members is spread over a period of 20 and 10 years.
- Income from approved coaching centers is recognized on receipt basis.
- Income from Computer Based Examinations is recognized on receipt basis.
- Profit on bank deposits and investments is accounted for on pro-rata basis.
- Profit on saving account is recognized on effective yield basis.

## 2.14 Impairment

The carrying amounts of the Institute's assets are reviewed at balance sheet date to determine whether there is any indication of impairment, if any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized.

## 2.15 Judgment, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to Institute's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Useful lives of depreciable assets and residual value (note 2.3).

## 2.16 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Institute's functional currency.

## 2.17 General

Figures have been rounded off to the nearest rupee.

**3 PROPERTY AND EQUIPMENT**

		<b>2 0 1 6</b>	<b>2 0 1 5</b>
		<b>RUPEES</b>	<b>RUPEES</b>
Property and equipment	3.1	20,177,452	21,004,643
Capital work in progress-Lahore		4,384,643	1,770,335
		<u><b>24,562,095</b></u>	<u><b>22,774,978</b></u>

**3.1 Operating Fixed Assets**

	Freehold Land	Office on Freehold Land	Office on Leasehold Land	Electrical Equipment	Office Equipment	Furniture and Fixture	Vehicle	Library Books	Total
	R U P E E S								
<b>Net carrying value basis</b>									
Year ended June 30, 2015									
Opening net book value	15,732,078	1,731,869	1,328,954	662,238	571,541	1,070,386	332,136	2,734	21,431,936
Additions	-	-	-	233,830	-	-	-	-	233,830
Disposal / Adjustment	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	(86,593)	(66,448)	(179,214)	(171,462)	(107,039)	(49,820)	(547)	(661,123)
Closing net book value	<u>15,732,078</u>	<u>1,645,276</u>	<u>1,262,506</u>	<u>716,854</u>	<u>400,079</u>	<u>963,347</u>	<u>282,316</u>	<u>2,187</u>	<u>21,004,643</u>
<b>Gross carrying value basis</b>									
As at June 30, 2015									
Cost	15,732,078	1,916,114	2,725,083	1,843,759	3,137,880	2,128,848	872,900	49,524	28,406,186
Accumulated Depreciation	-	(270,838)	(1,462,577)	(1,126,905)	(2,737,801)	(1,165,501)	(590,585)	(47,336)	(7,401,543)
Net book value	<u>15,732,078</u>	<u>1,645,276</u>	<u>1,262,506</u>	<u>716,854</u>	<u>400,079</u>	<u>963,347</u>	<u>282,315</u>	<u>2,188</u>	<u>21,004,643</u>
<b>Net carrying value basis</b>									
Year ended June 30, 2016									
Opening net book value	15,732,078	1,645,276	1,262,506	716,854	400,079	963,347	282,315	2,188	21,004,643
Additions	-	-	-	242,185	12,500	157,779	-	-	412,464
Disposal / Adjustment	-	(656,617)	-	-	-	-	-	-	(656,617)
Depreciation for the year	-	(49,433)	(63,125)	(191,808)	(123,774)	(112,113)	(42,347)	(438)	(583,038)
Closing net book value	<u>15,732,078</u>	<u>939,226</u>	<u>1,199,381</u>	<u>767,231</u>	<u>288,805</u>	<u>1,009,013</u>	<u>239,968</u>	<u>1,750</u>	<u>20,177,452</u>
<b>Gross carrying value basis</b>									
As at June 30, 2016									
Cost	15,732,078	1,259,497	2,725,083	2,085,944	3,150,380	2,286,627	872,900	49,524	28,162,033
Accumulated Depreciation	-	(320,271)	(1,525,702)	(1,318,713)	(2,861,575)	(1,277,614)	(632,932)	(47,774)	(7,984,581)
Net book value	<u>15,732,078</u>	<u>939,226</u>	<u>1,199,381</u>	<u>767,231</u>	<u>288,805</u>	<u>1,009,013</u>	<u>239,968</u>	<u>1,750</u>	<u>20,177,452</u>

Annual rate of depreciation	-	5%	5%	20%	30%	10%	15%	20%
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**3.2 Depreciation / Amortization for the year has been allocated as under:**

		<b>2 0 1 6</b>	<b>2 0 1 5</b>
		<b>RUPEES</b>	<b>RUPEES</b>
Coaching department expenses	<b>22</b>	297,349	337,173
Administrative department expenses	<b>23</b>	285,689	323,950
		<u><b>583,038</b></u>	<u><b>661,123</b></u>

	<b>2016</b>	<b>2015</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>4 INTANGIBLE ASSETS</b>		
<b>Net carrying value as at 1 July</b>		
Net book value as at 1 July	164,705	213,925
Additions / transfers (at cost)	-	33,120
Amortization	(54,896)	(82,340)
	<b>4.1</b>	
<b>Net book value as at 30 June</b>	<b>109,809</b>	<b>164,705</b>
Gross carrying value as at 30 June		
Cost as at 1 July	922,064	888,944
Additions / transfer at cost	-	33,120
Accumulated amortization	(812,255)	(757,359)
<b>Net book value</b>	<b>109,809</b>	<b>164,705</b>
Amortization rate (% per annum)	33.33%	33.33%
4.1 The amortization charge for the year has been allocated as follows:		
Examination department expenses	54,896	82,340
<b>5 INVESTMENT PROPERTY</b>		
<b>Net Carrying value as at 1 July</b>		
Opening net book value (NBV)	1,254,739	1,320,778
Depreciation charge	(62,737)	(66,039)
	<b>5.1</b>	
Balance as at 30 June (NBV)	1,192,002	1,254,739
<b>Gross Carrying value as at 30 June</b>		
Cost	2,572,901	2,572,901
Accumulated depreciation	(1,380,899)	(1,318,162)
<b>Net book value (NBV)</b>	<b>1,192,002</b>	<b>1,254,739</b>
Depreciation rate (% per annum)	5%	5%
5.1 The depreciation charge for the year has been allocated as follows:		
Administration department expenses	62,737	66,039
<b>6 INVESTMENTS-Held to maturity</b>		
Held to maturity		
Term deposit certificates - IIBL	12,112,033	12,112,033
	<b>6.1</b>	
Provision against investments doubtful of recovery	(12,112,033)	(12,112,033)
	-	-

6.1 The Institute made investments in Term Deposit Certificates (COD-L) of Crescent Standard Investment Bank Limited (CSIBL) now Innovative Investment Bank Limited (IIBL) since March 2003. The total investment amounting to Rs. 12.112 (M) became overdue. The management of IIBL revised the repayment plan over a period of 5 years which had not been followed. In view of the matter, the Board of Governors on recommendations of executives of the Institute decided to hold provision of Rs. 12.112 (M) for doubtful of recovery, further elaborated as under.

The Institute made investment of Rs. 13.112 (M) in Term Deposit Certificates (COD-L) of Crescent Standard Investment Bank Limited (CSIBL). On August 30, 2006, SECP appointed Administrator for CSIBL by suspending their Board of Directors and Chief Executive Officer. With effect from June 28, 2007, CSIBL was merged with Innovative Housing Finance Limited (IHFL) and became Innovative Investment Bank Limited (IIBL). These COD-Ls matured between September 2006 and October 2006. IIBL offered a five years repayment plan to the Institute whereby Rs.1.00 (M) was received as 1st installment and remaining Rs. 12.112 (M) was receivable over a period of four years starting from July 29, 2009. However, the payment due on July 29, 2009 was not received and IIBL vide its letter dated July 29, 2009

confirmed that the payment shall be made on availability of cash flows. The Administrator of IIBL appointed by SECP sent a "Draft Rehabilitation Plan" on May 28, 2010 to the institute which was replied vide letter dated June 05, 2010 requiring immediate return of deposits. The Joint Liquidators responded to the Institute's letter of July 25, 2014, informing that the Honorable Lahore High Court has passed order for winding up of IIBL in response to winding up petition filed by SECP U/s. 282 J(3) of the Companies Ordinance, 1984. Further the Liquidators advised the Institute to complete formalities for the claim as required under the law. The management filed the claim with Joint Official Liquidators for the recovery on June 11, 2015 through its lawyer. The Joint Official Liquidators invited claims vide Public Notice No. 1 dated March 07, 2016 for verification of category 1, to which the Institute submitted its claim on March 28, 2016. Later, the Joint Official Liquidators invited claims vide Public Notice No. 2 dated May 09, 2016 for verification of category 2 and 3, to which the Institute sent a request letter to Joint Official Liquidators on June 03, 2016 to entertain its claim for category 2 or 3. A reminder was also sent on June 10, 2016. These investments have been fully provided for by the Institute in previous years.

	<b>2016</b>	<b>2015</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>7 SHORT TERM INVESTMENTS</b>		
PLS term deposits - held to maturity	7.1	6,000,000
7.1 It represents PLS one year Term Deposit Certificates issued by Allied Bank Limited with option of automatic rollover. These carry interest rate of 5.05% per annum and due for maturity as on September 19, 2016. This TDR encashed before maturity date due to financial constraints in January 2016.	-	
<b>8 LOANS AND ADVANCES - Considered good</b>		
Advances - Unsecured		
To staff	50,050	154,660
Advance Income tax	135,425	12,420
Advance rent	-	80,000
	<b>185,475</b>	<b>247,080</b>
<b>9 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Deposits		
Security deposits	1,240,000	1,240,000
Prepayments		
Insurance	10,050	9,075
Fee and subscription	264,246	294,576
	274,296	303,651
<b>Other Receivables - Considered good</b>		
<b>Un-secured</b>		
Receivable from Pakistan Military Accountant General	6,130,909	6,352,269
Auditor General Pakistan	75,000	314,800
Receivable from Government of Punjab	425,200	393,700
Receivable from Capital Development Authority Islamabad	500	34,000
Receivable from Controller General Accounts	476,200	129,550
CBE fees receivables	23,000	646,500
Rent receivable	-	139,700
Other receivables	203,000	192,693
Accrued interest	-	48,000
	7,333,809	8,251,212
Provision against CBE fee receivable doubtful of recovery	-	(505,000)
	<b>8,848,105</b>	<b>9,289,863</b>



	<b>2016</b>	<b>2015</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>10 CASH AND BANK BALANCES</b>		
These were held as under:		
In hand		
Cash	15,413	253,466
Cheques	123,000	-
At bank:		
Current accounts	1,278,646	4,740,471
PLS account	6,589,153	3,434,973
	<b>10.1</b>	
	7,867,799	8,175,444
	<b>8,006,212</b>	<b>8,428,910</b>
10.1 These carry profit rate ranging from 3.75 to 4.50% per annum (2015 : from 4.5 to 6%)		
<b>11 MEMBERS' SUBSCRIPTION</b>		
Members' subscription - advance	5,936,578	5,386,067
Members' registration and subscription - applied	57,600	101,688
Less: Current maturity	(642,160)	(579,950)
	<b>5,352,018</b>	<b>4,907,805</b>
<b>12 DEFERRED LIABILITIES</b>		
The amount represents staff retirement gratuity. The movement during the year was as follows:		
Balance as at July 01	3,171,590	2,961,276
Previous years' adjustment	232,886	161,579
Provided for the year	481,057	618,159
	3,885,533	3,741,014
Less: Paid during the year	(574,901)	(569,424)
	<b>3,310,632</b>	<b>3,171,590</b>
<b>13 ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	1,059,431	4,146,364
Other liabilities		
Security deposit	70,000	70,000
Tax payable	-	55,973
Contractor's Retention Money	219,938	221,684
Account payables	-	335,669
Advance Rent	-	67,445
Others	-	98,969
	289,938	849,740
	<b>1,349,369</b>	<b>4,996,104</b>
<b>14 CONTINGENCIES AND COMMITMENTS</b>		
No contingencies other than disclosed.		
Commitments in respect of capital expenditure for construction of PIPFA new campus at Lahore is reported at Rs. 555,762/-		

	<b>2 0 1 6</b>	<b>2 0 1 5</b>
	<b>RUPEES</b>	<b>RUPEES</b>
<b>15 STUDENT REGISTRATION AND SUBSCRIPTION FEES</b>		
Student registration	1,071,500	1,481,100
Student subscription	3,242,500	3,488,020
Student restoration	675,500	448,850
Student I.D card	138,200	200,350
Career Plan	252,000	337,800
	<b>5,379,700</b>	<b>5,956,120</b>
<b>16 EXAMINATION AND EXEMPTION FEES</b>		
Examination	8,356,400	10,004,380
Computer based examination renewal	100,000	140,000
Computer based examination	2,670,000	1,505,000
Exemptions	3,372,106	3,858,580
Re-checking / Duplicate certificate	122,400	104,150
	<b>14,620,906</b>	<b>15,612,110</b>
<b>17 MEMBERS REGISTRATION AND ANNUAL SUBSCRIPTION FEES</b>		
Member registration	926,700	1,008,100
Member subscription	3,059,660	2,274,652
Member restoration	183,800	96,200
	<b>4,170,160</b>	<b>3,378,952</b>
<b>18 COACHING FEES</b>		
Karachi	2,745,300	5,186,275
Islamabad	2,194,200	-
Lahore	3,990,400	2,655,625
Faisalabad	1,044,000	1,119,550
	<b>9,973,900</b>	<b>8,961,450</b>
<b>19 OTHER INCOME</b>		
Interest income from deposits	308,714	1,027,251
Rental income	508,000	420,000
CCPT and coaching renewal fee and others	369,500	421,000
Registration and other fees	-	192,000
CBE Evaluation fee	-	20,000
CPD Seminar income	500	69,700
Convocation Receipts	2,350	502,975
Advertisement income	134,250	143,000
Bank charges recovered	18,048	11,407
Coaching center inspection fee	60,000	-
Others	198,662	96,850
	<b>1,600,024</b>	<b>2,904,183</b>
<b>20 EXAMINATION DEPARTMENT EXPENSES</b>		
Examination expense	2,513,372	1,353,434
Salaries and benefits	3,966,824	2,919,872



		<b>2 0 1 6</b>	<b>2 0 1 5</b>
		<b>RUPEES</b>	<b>RUPEES</b>
Examination honorarium		107,962	1,588,039
Computer based examination expenses		1,349,750	23,135
Legal and professional		17,250	112,500
Printing and stationery		237,252	526,194
Postage		377,402	583,609
Utilities		349,958	314,240
Meetings		268,062	531,505
Entertainment		26,585	18,317
Repair and maintenance		129,808	170,187
Amortization	4.1	54,896	82,340
Provision against CBE Receivables		-	505,000
Software charges		46,666	28,698
		<b>9,445,787</b>	<b>8,757,070</b>
<b>21 MEMBERS' DEPARTMENT EXPENSES</b>			
Salaries and benefits		1,292,555	1,137,285
Printing and stationery		410,874	358,608
Postage		300,251	233,568
Utilities		274,300	346,572
Meetings		149,891	346,170
Entertainment		12,897	18,302
Repair and maintenance		19,781	101,340
CPD Seminar		-	8,135
		<b>2,460,549</b>	<b>2,549,980</b>
<b>22 COACHING DEPARTMENT EXPENSES</b>			
Faculty salaries (PMAD, Private and Public sector)		4,855,019	4,656,443
Salaries and benefits		5,696,956	6,063,551
Printing and stationery		491,099	525,758
Advertisement		658,290	831,367
Entertainment		76,733	114,293
Repair and maintenance		200,697	112,704
Bank charges		5,595	51,880
Newspapers and periodicals		-	770
Coaching expenses		11,317	85,873
Supplies		51,950	28,465
Postage		276,770	209,189
Conveyance		44,778	132,944
Rent		2,176,678	2,083,044
Utilities		636,351	653,874
Others		24,732	229,353
Convocation Charges		2,500	451,420
Seminar and exhibition		348,530	92,202
Meetings		149,506	330,048
Depreciation	3.2	297,349	337,173
		<b>16,004,850</b>	<b>16,990,351</b>



		<b>2 0 1 6</b>	<b>2 0 1 5</b>
		<b>RUPEES</b>	<b>RUPEES</b>
<b>23 ADMINISTRATION EXPENSES</b>			
Managerial remuneration		1,090,233	1,784,822
Salaries and benefits		3,963,766	4,438,957
Printing and stationery		341,385	335,930
Entertainment		62,427	56,565
Meetings		210,361	605,743
Postage		68,849	239,230
Utilities		476,479	534,236
Repair and maintenance		429,572	405,738
Auditor's remuneration	<b>23.1</b>	93,400	57,750
Rent		1,747,863	1,528,068
Fees and subscription		568,128	567,839
Newspaper and periodicals		-	410
Advertisement		41,486	20,700
Conveyance and travelling		61,093	68,088
Depreciation	<b>3.2 &amp; 5.1</b>	348,426	389,989
Vehicle insurance		39,223	37,242
Supplies		33,739	31,734
Bank charges		200,564	146,694
Internet charges		11,695	43,326
Property Tax		18,900	37,800
Legal and Professional Charges		188,650	43,460
Wages		29,700	50,190
Other expenses		62,872	183,053
		<b><u>10,088,811</u></b>	<b><u>11,607,564</u></b>
<b>23.1 Auditors' Remuneration</b>			
Audit fee		58,300	55,000
Out of pocket expenses		5,700	2,750
Review of half yearly accounts		13,500	-
Others		15,900	-
		<b><u>93,400</u></b>	<b><u>57,750</u></b>
<b>24 REMUNERATION OF EXECUTIVE</b>			
The aggregate amounts charged in the financial statements for the year for remuneration, including benefits to the executives of the Institute is as follows:			
Managerial remuneration		745,616	1,447,200
Bonus & Allowances		344,617	337,622
		<b><u>1,090,233</u></b>	<b><u>1,784,822</u></b>
Number of executives		<u>1</u>	<u>1</u>
Executive of the Institute is provided with the use of car in accordance with the terms of employment.			
<b>25 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	<b>10</b>	<b><u>8,006,212</u></b>	<b><u>8,428,910</u></b>

**26 RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a subsidiary company, associated companies with or without common directors, principal shareholders, retirement benefit future funds, directors and their close family members, and key management personnel.

The related parties of PIPFA comprises ICMAP, ICAP, AGP, Board of Governors, key management personnel, entities where Board of Governor also hold directorship, directors and their close family members and staff retirement funds. Number of transactions related to CBE Fee were executed with related parties in the normal course of business. PIPFA reimburse 50% of total CBE fee collected from students to all CBE centers including related parties.

Contributions to staff retirement benefit plan are made in accordance with the terms of the contribution plan approved by the BOG. Remuneration to the executives is determined in accordance with the terms of their appointment.

Transactions with related parties related to remuneration and benefits to key management personnel under the terms of the employment have already been disclosed in note 24.

**Associates (SKANS Colleges):**

	<b>2016</b>	<b>2015</b>
	<b>RUPEES</b>	<b>RUPEES</b>
Receivables at the beginning of the year	23,000	593,000
Add: Fee Collected by CBE centers from Students	-	547,500
Less: Fee Paid to PIPFA by CBE center	-	(1,117,500)
Receivables at the end of the year	23,000	23,000
Payable at the beginning of the year	460,500	-
Add: Share payable to CBE centers	1,008,000	1,100,000
Less: Share paid to CBE Center	(1,234,500)	(639,500)
Payables at the end of the year	234,000	460,500

**27 NUMBER OF EMPLOYEES**

The Number of employees as at June 30, 2016 were 27 (2015: 33).

**28 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on September 17, 2016, by the Board of Governors of the Institute.



Chief Accountant



Acting Executive Director



Treasurer

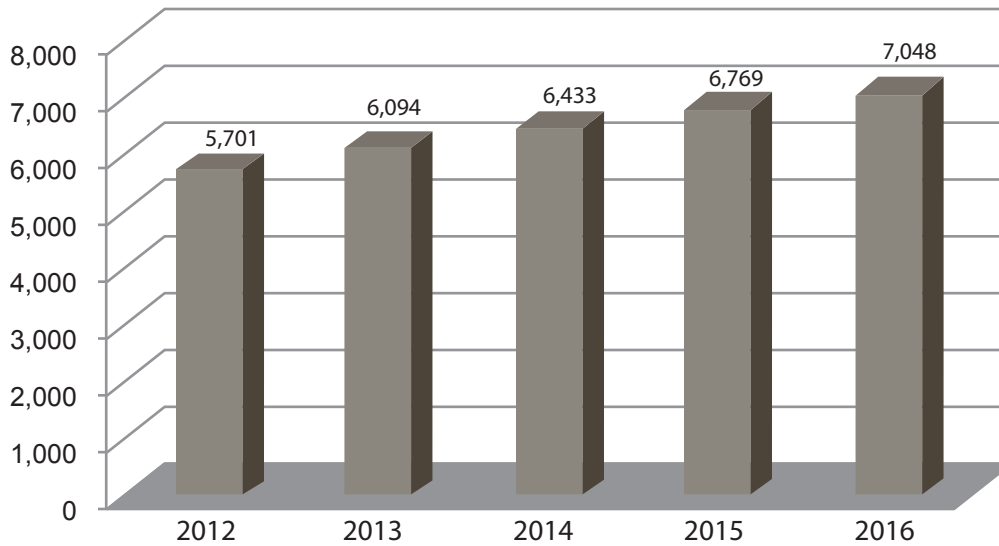


President

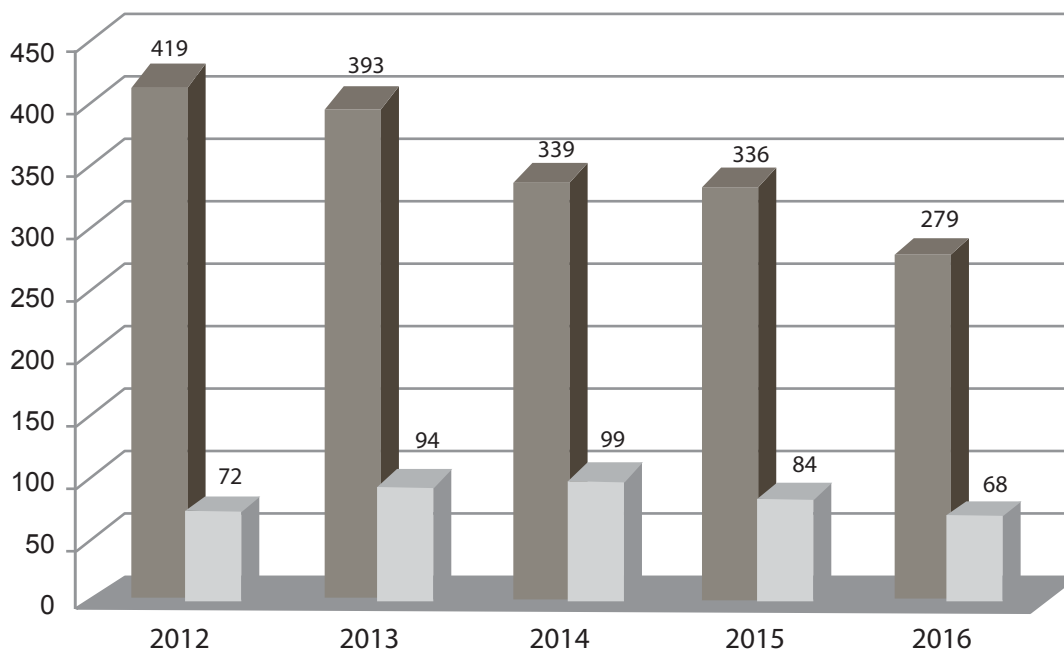
## Financial Highlights

	2012	2013	2014	2015	2016
<b>Operating Results</b>					
Revenue (in Rupees)	31,789,568	39,361,215	43,981,957	36,812,815	35,744,690
Surplus/(Deficit) (in Rupees)	(5,320,185)	1,628,769	2,476,216	(3,092,150)	(2,255,307)
<b>Financial Position</b>					
Net Assets (in Rupees)	33,491,990	35,120,760	37,596,976	34,504,826	32,249,519
Members (in numbers)	5,701	6,094	6,433	6,769	7,048
Students (in numbers)	25,845	27,751	29,182	30,096	30,753

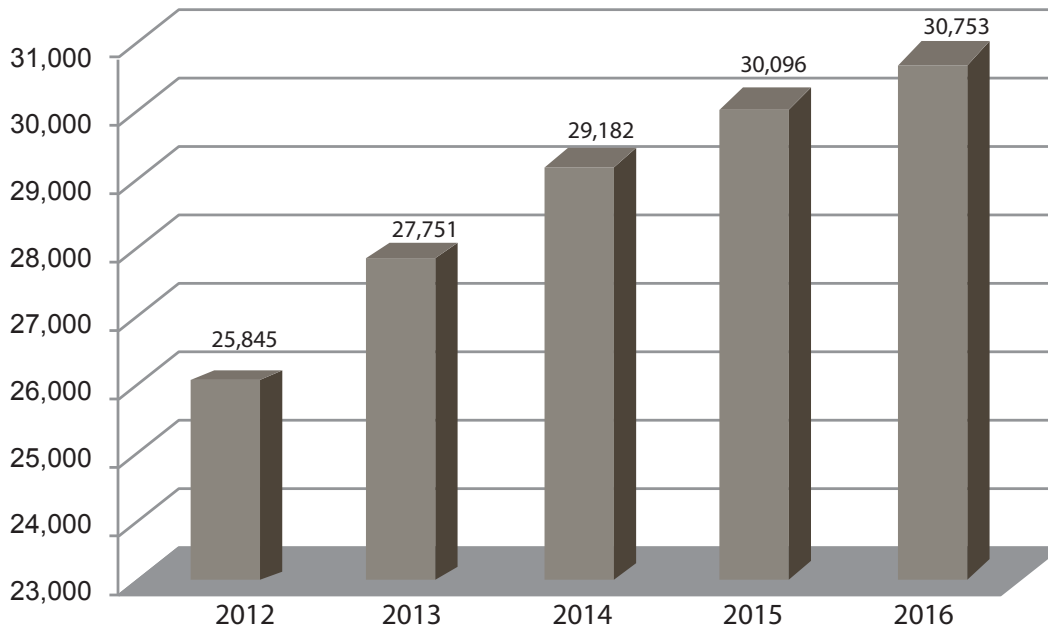
## Total Members In Numbers



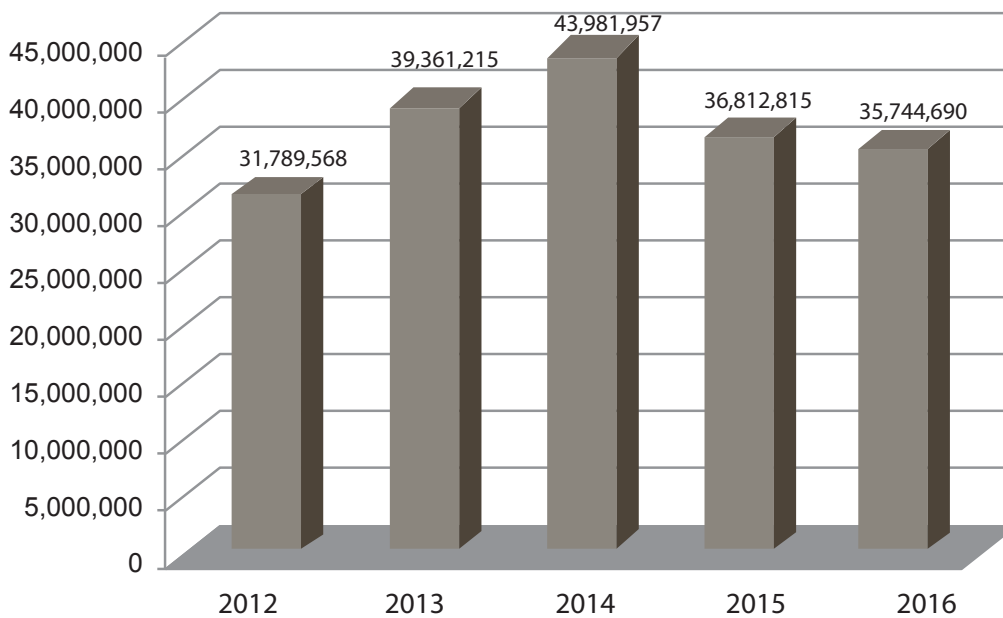
## New Members (APFA & FPFA) In Numbers



## Total Students In Numbers

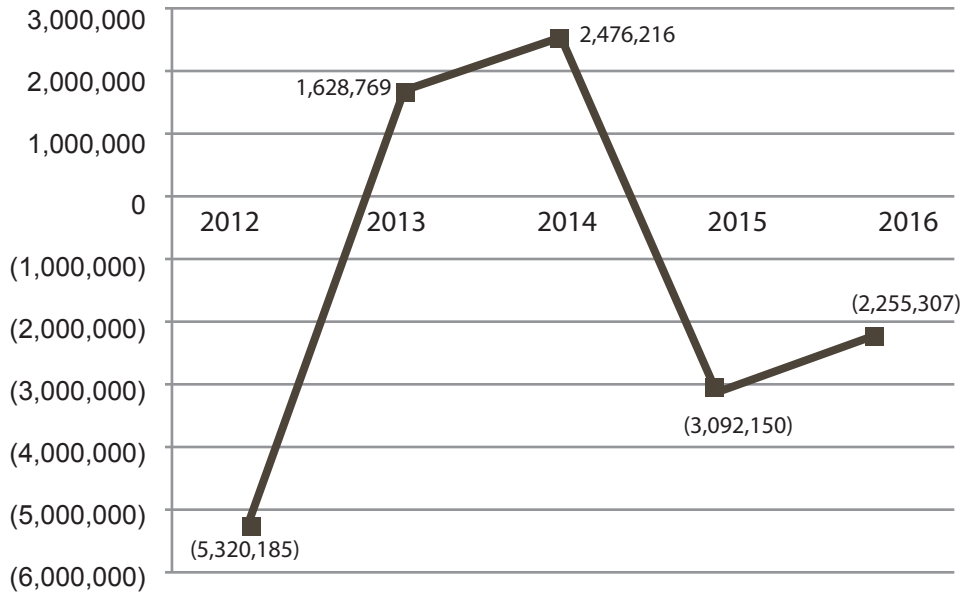


## Total Revenue In Rupees

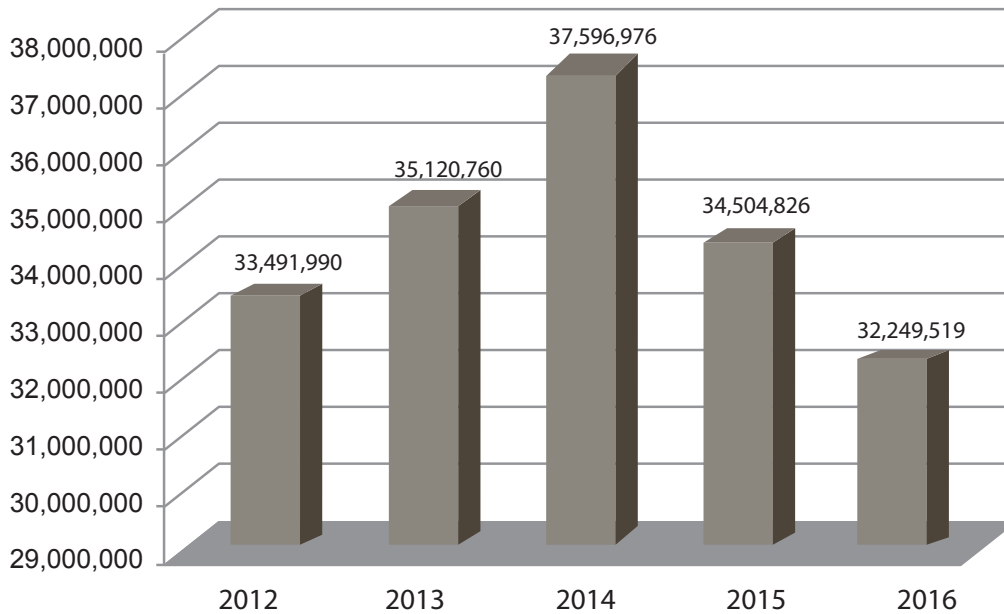




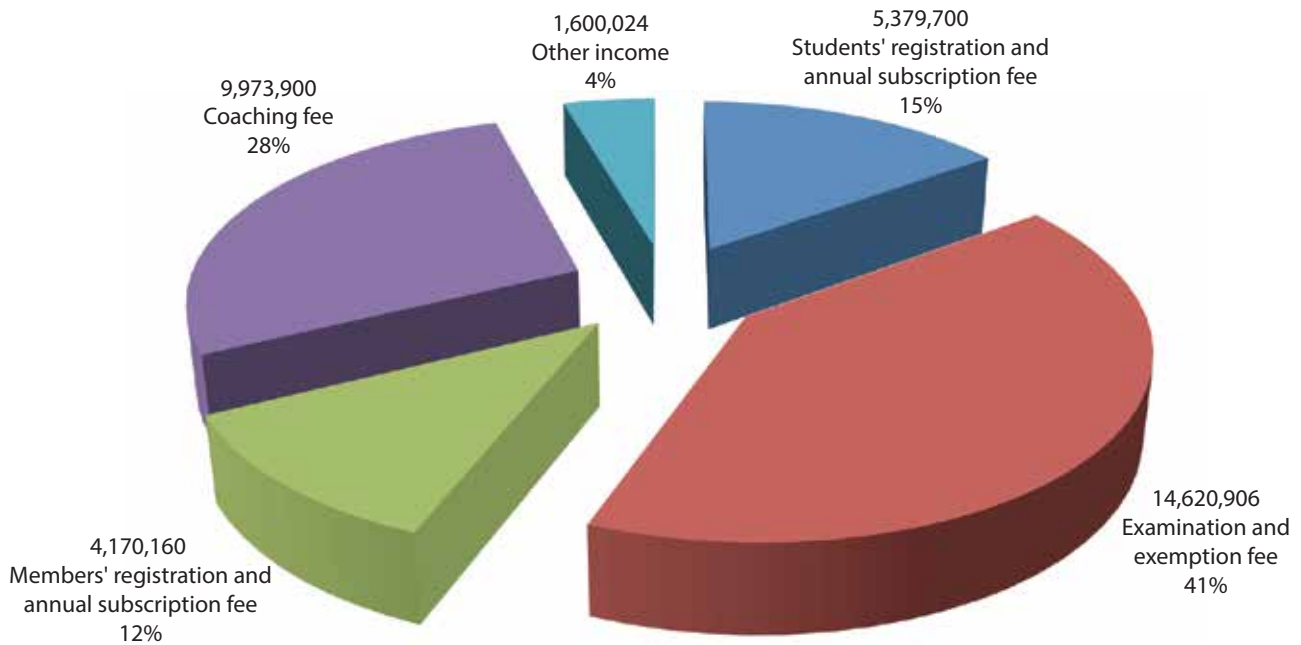
## Surplus / (Deficit) In Rupees



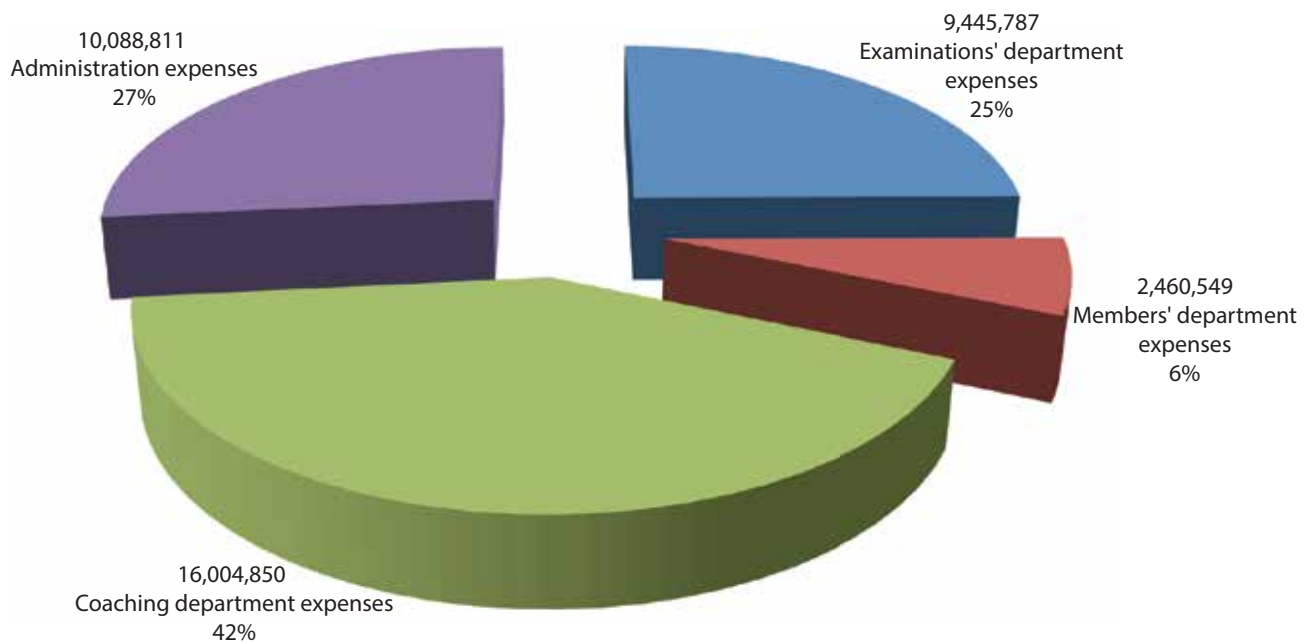
## Net Assets In Rupees



## Revenue Analysis 2016



## Expenditure Analysis 2016



## Board of Governors, Standing Committees and Other Committees' Meeting Attendance

### Board of Governors

Meetings Held: 05    Physical Meetings: 03    Video-Link Meetings: 02

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1.	Mr. Muhammad Sharif	President	05	9.	Mr. Waqar Ali Khan	Member	02
2.	Mr. Imran Iqbal	Vice President	04	10.	Ms. Fauzia Saleem Khan	Member	01
3.	Mr. Raheel Asghar Ginai	Secretary	02	11.	Sayyid Mansoob Hasan	Member	02
4.	Mr. Sarmad Ahmad Khan	Treasurer	04	12.	Mr. Shahid Saleem	Member	00
5.	Mr. Usman Ahsan	Joint Secretary	05	13.	Mr. Shahid Nadeem*	Member	02
6.	Mr. Mohammad Maqbool	Member	04	14.	Khawaja Ehrar ul Hasan**	Member	02
7.	Mr. Sajid Hussain	Member	05	15.	Ms. Sumaira K. Aslam***	Member	00
8.	Syed Masood Akhtar	Member	05	16.	Mr. Shahzad Raza Syed****	Member	01

\* AGP nominated Mr. Shahid Saleem in place of Mr. Shahid Nadeem

\*\* ICMAP nominated Mr. Raheel Asghar Ginai in place of Khawaja Ehrar ul Hasan

\*\*\* ICMAP nominated Sayyid Mansoob Hasan in place of Ms. Sumaira K. Aslam

\*\*\*\* AGP nominated Mr. Imran Iqbal in place of Mr. Shahzad Raza Syed

### Standing Committees

#### Executive Committee

Meetings Held: 05    Physical Meetings: 00    Video-Link Meetings: 05

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1.	Mr. Muhammad Sharif*	Chairman	04	6.	Mr. Mohammad Maqbool	The then Chairman	03
2.	Mr. Imran Iqbal*	Member	02	7.	Mr. Shahzad Raza Syed	Member	01
3.	Mr. Raheel Asghar Ginai*	Member	02	8.	Syed Masood Akhter	Member	02
4.	Mr. Sarmad Ahmad Khan*	Member	01	9.	Khawaja Ehrar ul Hasan	Member	03
5.	Mr. Usman Ahsan*	Member	02				

\* Office Bearers re-elected on January 1, 2016

#### Board of Studies

Meetings Held: 04    Physical Meetings: 00    Video-Link Meetings: 04

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1.	Mr. Usman Ahsan*	Chairman	04	7.	Syed Ahsan Aman*	Member	04
2.	Mr. Mohammad Maqbool*	Member	02	8.	Syed Masood Akhter	The then Chairman	01
3.	Mr. Raheel Asghar Ginai*	Member	01	9.	Mr. Waqar Ali Khan	Member	01
4.	Mr. Imran Iqbal*	Member	03	10.	Khawaja Ehrar ul Hasan	Member	01
5.	Mr. Iftikhar Ahmed*	Member	01	11.	Mr. Shahid Nadeem	Member	00
6.	Mr. Nazim Raza*	Member	04	12.	Mr. Zahid Karim Shar	Member	00

\* Board of Studies was reconstituted on January 1, 2016

#### Examination Committee

Meetings Held: 04    Physical Meetings: 04    Video-Link Meetings: 00

Sr. #	Name	Title	Meetings Attended	Sr. #	Name	Title	Meetings Attended
1.	Mr. Imran Iqbal*	Chairman	02	7.	Khawaja Ehrar ul Hasan	Member	00
2.	Mr. Mohammad Maqbool*	Member	01	8.	Syed Masood Akhter	Member	01
3.	Mr. Raheel Asghar Ginai*	Member	01	9.	Mr. Shahid Nadeem	Member	00
4.	Mr. Sajid Hussain*	Member	04				
5.	Ms. Fauzia Saleem Khan*	Member	02				
6.	Mr. Muhammad Sharif	The then Chairman	02				

\* Examination Committee was reconstituted on January 1, 2016



**Publication & Seminar Committee**

Meetings Held: 01  
Physical Meetings: 00  
Video-Link Meetings: 01

Sr. No.	Name	Title	Meetings Attended
1.	Mr. Usman Ahsan	Chairman	01
2.	Mr. Imran Iqbal	Member	01
3.	Mr. Sarmad Ahmad Khan	Member	00
4.	Mr. Waqar Ali Khan	Member	01
5.	Rao Sabir Ali	Member	00
6.	Mr. Shaukat Hussain	Member	01
7.	Ms. Sana Wiqar	Member	01
8.	Ms. Sadia Yasmin	Member	01
9.	Mr. Asher Noor	Member	01

**Technical Committee**

Meetings Held: 01  
Physical Meetings: 00  
Video-Link Meetings: 01

Sr. No.	Name	Title	Meetings Attended
1.	Mr. Mohammad Maqbool	Chairman	01
2.	Mr. Usman Ahsan	Member	01
3.	Ms. Fauzia Saleem Khan	Member	01
4.	Mr. Sarmad Ahmad Khan	Member	00
5.	Sayyid Mansoob Hasan	Member	00

**Regulation & Disciplinary Committee**

Meetings Held: 01  
Physical Meetings: 00  
Video-Link Meetings: 01

Sr. No.	Name	Title	Meetings Attended
1.	Sayyid Mansoob Hasan	Chairman	01
2.	Mr. Sajid Hussain	Member	01
3.	Mr. Shahid Nadeem	Member	00

**Other Committees****Audit Committee**

Meetings Held: 01  
Physical Meetings: 01  
Video-Link Meetings: 00

Sr. No.	Name	Title	Meetings Attended
1.	Mr. Ali Raza Namdar	Convener	01
2.	Mr. Taufiq Ali Abbasi	Member	01
3.	Mr. Muhammad Hamid Jan	Member	01

**Budget Committee**

Meetings Held: 02  
Physical Meetings: 00  
Video-Link Meetings: 02

Sr. No.	Name	Title	Meetings Attended
1.	Mr. Sarmad Ahmad Khan*	Convener	01
2.	Mr. Sajid Hussain*	Member	01
3.	Ms. Fauzia Saleem Khan*	Member	00
4.	Khawaja Ehrar ul Hasan	The then Convener	01
5.	Mr. Muhammad Sharif	Member	01
6.	Syed Masood Akhtar	Member	01

\* Budget Committee was reconstituted on January 1, 2016

**Building Construction Committee**

Meetings Held: 02  
Physical Meetings: 02  
Video-Link Meetings: 00

Sr. No.	Name	Title	Meetings Attended
1.	Mr. Sajid Hussain	Convener	02
2.	Mr. Muhammad Sharif	Member	02
3.	Mr. Imran Iqbal	Member	02

**Development of Practicing Rules & Regulations Committee**

Meetings Held: 02  
Physical Meetings: 02  
Video-Link Meetings: 00

Sr. No.	Name	Title	Meetings Attended
1.	Mr. Sajid Hussain	Convener	02
2.	Mr. Usman Ahsan	Member	00
3.	Mr. Waqar Ali Khan	Member	00
4.	Mr. Ahmed Suleman Zahid	Member	02
5.	Mr. Zahid Hameed	Member	01

# Form of Proxy

I, \_\_\_\_\_ s/o, d/o \_\_\_\_\_ being member of PIPFA having Membership Number of FPFA / APFA \_\_\_\_\_ admitted before June 30, 2016 and having no membership outstanding dues as on August 31, 2016 hereby nominate Mr./Ms. \_\_\_\_\_ s/o, d/o \_\_\_\_\_ having Membership Number FPFA / APFA \_\_\_\_\_ and qualified (as per clause (a) of notice of AGM) to attend the meeting as my proxy to vote for me and on my behalf at the 23<sup>rd</sup> Annual General Meeting of the Institute to be held on Saturday, October 29, 2016 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Rs. 5  
Revenue  
Stamp

Signature \_\_\_\_\_

(Signature should agree with the latest signature available on Member's record with PIPFA)

Witness No.1

Witness No.2

Name \_\_\_\_\_

Name \_\_\_\_\_

CNIC No. \_\_\_\_\_

CNIC No. \_\_\_\_\_

Address \_\_\_\_\_

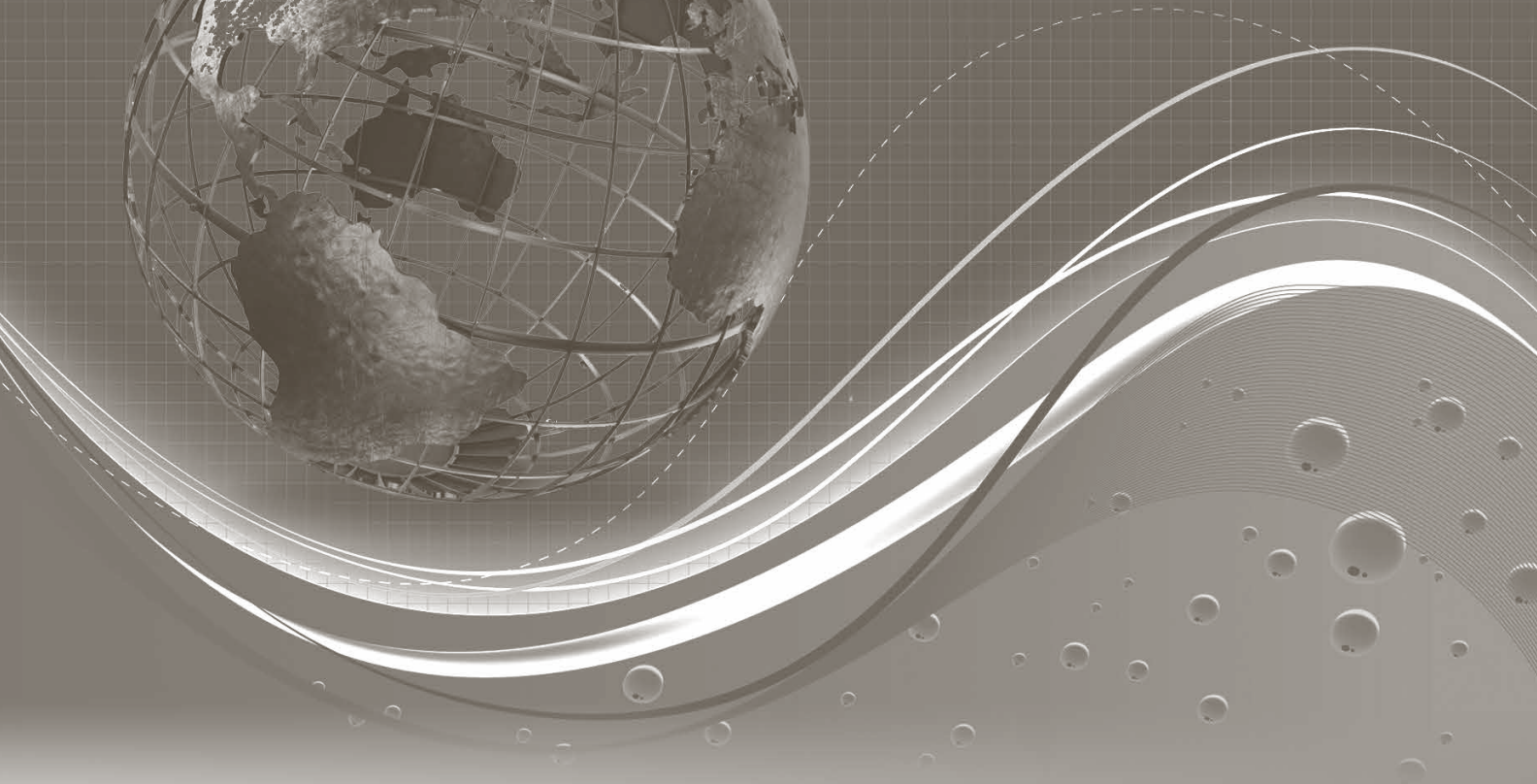
Address \_\_\_\_\_

Note: The instrument of Proxy to be valid must be deposited at the Head Office of the Institute at least 48 hours before the meeting.





# Annual Report 2016





# Pakistan Institute of Public Finance Accountants

## **KARACHI CORPORATE OFFICE**

M-1 & M-2, Mezzanine Floor, Park Avenue, 24-A,  
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Tel: 021-34380451-2, Fax: 021-34327087, Email: [pipfa@pipfa.org.pk](mailto:pipfa@pipfa.org.pk)

## **KARACHI CENTER**

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Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400

## **LAHORE OFFICE & CENTER**

6-Atta Turk Block, New Garden Town, Lahore.  
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Tel: 051-2851572, Email: [pipfaisl@pipfa.org.pk](mailto:pipfaisl@pipfa.org.pk)

## **FAISALABAD OFFICE & CENTER**

Ajmal Centre-1, 289-1, Batala Colony, Faisalabad  
Tel: 041-8530110, 8500791, Email: [pipfafsd@pipfa.org.pk](mailto:pipfafsd@pipfa.org.pk)

[www.pipfa.org.pk](http://www.pipfa.org.pk)