



Pakistan Institute of  
Public Finance  
Accountants

# ANNUAL REPORT 2023



**PIPFA**

is a Full Member of  
**International  
Federation  
of Accountants**



Pakistan Institute of Public  
Finance Accountants

## Our Vision

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

## Our 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."

## Our Core Values

- Professional Excellence
- Integrity
- Good governance
- Transparency
- Accountability
- Innovation
- Objectivity



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# **Annual Report** 2023

**Board of  
Governors**



## BOARD OF GOVERNORS



**Mr. Muhammad Ali Latif**  
President  
(Nominee of ICAP)



**Mr. Usman Ahsan**  
Vice President  
(Elected Member)



**Mr. Muhammad Kamran Khan**  
Secretary  
(Nominee of AGP)



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



**Mr. Shaham Ahmed**  
Joint Secretary  
(Nominee of ICMA Pakistan)



**Mr. Zia Ul Mustafa Awan**  
Member  
(Nominee of ICMA Pakistan)



**Mr. Awais Yasin**  
Member  
(Nominee of ICMA Pakistan)



**Ms. Khursheed Kotwal**  
Member  
(Nominee of ICAP)



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



**Mr. Shahab Qadir**  
Member  
(Nominee of ICAP)



**Mr. Nazar Muhammad Ranjha**  
Member  
(Nominee of AGP)



**Ms. Namana Gulrukh Fareed**  
Member  
(Nominee of AGP)

# **Annual Report** 2023

## **Past Office Bearers**



## Past Office Bearers

PERIOD	PRESIDENT	VICE PRESIDENT	SECRETARY	JOINT SECRETARY/ TREASURER
1995	Mr. Qaisar Mufti	Mr. Muhammad Yousaf Adil	Mr. Khalid Rafiq	Mr. Mohammad Maqbool Mr. Jamal Abbas Zaidi
1996	Mr. Mohammad Maqbool	Syed Mujahid Hussain	Mr. Ashraf Bawany	Mr. Jamal Abbas Zaidi Mr. Azhar Hussain
1997	Syed Mujahid Hussain	Mr. Ashraf Bawany	Mr. Faqir Hussain Khan	Mr. Azhar Hussain Mr. Zulfiqar Ali Kadri
1998	Mr. Ashraf Bawany	Mr. Fazal Mehmood	Syed Mujahid Hussain	Mr. Sajid Hussain Mr. U. A. Raza
1999	Mr. Fazal Mehmood	Mr. Faqir Hussain Khan	Mr. Muhammad Ashraf	Mr. Muhammad Sharif Mr. U. A. Raza
2000	Mr. Azhar Hussain	Mr. S. T. Rehman	Mr. Muhammad Ashraf	Mr. Muhammad Sharif Mr. Khaliq Ur Rehman
2001	Mr. Sohail Safdar	Mr. Badruddin Fakhri	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif Mr. Khaliq Ur Rehman
2002	Mr. Badruddin Fakhri	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif	Mr. Zahid Saeed Mr. Zulfiqar Ali Kadri
2003	Mr. Khaliq Ur Rehman	Mr. Muhammad Sharif	Mr. Abdus Sattar	Mr. Zulfiqar Ali Kadri
2004	Mr. Faqir Hussain Khan	Mr. Zulfiqar Ali Kadri	Mr. Abdul Rahim Suriya	Mr. Mehmood Ahmad Lodhi Mr. Zulfiqar Ali Kadri
2005	Mr. Zulfiqar Ali Kadri	Mr. Azam Khan Shad	Mr. Hidayat Ali Khan	Mr. Muhammad Sharif
2006	Mr. Azam Khan Shad	Mr. Hidayat Ali Khan	Mr. Muhammad Sharif	Mr. Khalid Ali Shah
2007	Mr. Arif Mansur	Mr. Muhammad Sharif	Mr. Muhammad Junaid	Mirza Munawar Hussain
2008	Mr. Muhammad Sharif	Mr. Sameen Ashgar	Mirza Munawar Hussain	Syed Shahid Hussain Jafri
2009	Mr. S. M. Awais Mr. Ejaz Ali Pirzda	Mirza Munawar Hussain	Mr. Rashid Rahman Mir	Mian Muhammad Shoaib
2010	Mirza Munawar Hussain	Mr. Rashid Rahman Mir	Mian Muhammad Shoaib	Dr. Syed Turab Hyder
2011	Mr. Rashid Rahman Mir	Mr. Sajid Hussain	Syed Imtiaz Hussain Bukhari	Mr. Shahzad Ahmad Awan
2012	Mian Muhammad Shoaib Mr. Sajid Hussain	Dr. Syed Turab Hyder	Mr. Shahzad Ahmad Awan	Mr. Adnan Zaman
2013	Dr. Syed Turab Hyder Mr. Muhammad Ashraf Shaikh	Mr. Shahzad Ahmad Awan	Mr. Rafaqatullah Babar Mr. M. Sharif Tabani	Mian Muhammad Shoaib
2014	Mr. Shahzad Ahmad Awan	Mr. Mohammad Maqbool	Mr. Sajid Hussain	Mr. Shahzad Raza Syed
2015	Mr. Mohammad Maqbool	Mr. Muhammad Sharif	Mr. Shahzad Raza Syed Mr. Imran Iqbal	Syed Masood Akhtar Khawaja Ehrar-ul-Hassan
2016	Mr. Muhammad Sharif	Mr. Imran Iqbal	Mr. Raheel Asghar Ginai	Mr. Usman Ahsan Mr. Sarmad Ahmad Khan
2017	Mr. Hassan Saqlain Mr. Intisar Ahmad Khan	Sayyid Mansoob Hassan	Mr. Sarmad Ahmad Khan	Mr. Usman Ahsan Mr. Sajid Hussain
2018	Khawaja Ehrar-ul-Hassan Mr. Ghulam Mustafa Qazi	Mr. Muhammad Ali Latif	Mr. Usman Ahsan	Mr. Azhar Hameed Mr. Sajid Hussain
2019	Mr. Muhammad Ali Latif	Mr. Usman Ahsan	Mr. Fareed Mehmood Ch.	Mr. Muhammad Yasin Mr. Sajid Hussain
2020	Mr. Sajid Hussain	Mr. Fareed Mehmood Ch.	Mr. Muhammad Yasin	Mr. Usman Ahsan Mr. Sami Ullah Musa
2021	Mr. Muhammad Nasir Ali Ms. Namana Gulrukh Fareed	Mr. Muhammad Yasin Mr. Muhammad Ali Latif	Mr. Usman Ahsan	Mr. Muhammad Sharif
2022	Mr. Muhammad Yasin	Mr. Muhammad Ali Latif	Mr. Usman Ahsan	Mr. Muhammad Sharif Mr. Kamran Ali Hashmi

# **Annual Report** 2023

## **Standing Committees**





## Standing Committees

Executive Committee	
Name	Designation
Mr. Muhammad Ali Latif	Chairman
Mr. Usman Ahsan	Member
Mr. Muhammad Kamran Khan	Member
Mr. Muhammad Sharif	Member
Mr. Shaham Ahmed	Member

Board of Studies	
Name	Designation
Mr. Sajid Hussain	Chairman
Mr. Zia Mustafa Awan	Member
Ms. Namana Gulrukh Fareed	Member
Ms. Khursheed Kotwal	Member
Mr. Usman Ahsan	Member

Examination Committee	
Name	Designation
Mr. Usman Ahsan	Chairman
Mr. Sajid Hussain	Member
Mr. Muhammad Kamran Khan	Member
Mr. Shaham Ahmed	Member
Mr. Muhammad Sharif	Member
Mr. Shahab Qadir	Member

Regulatory & Disciplinary Committee	
Name	Designation
Mr. Nazar Muhammad Ranjha	Chairman
Mr. Muhammad Sharif	Member
Mr. Zia Mustafa Awan	Member
Mr. Shahab Qadir	Member
Mr. Samiullah	Member

CPD & Publication Committee	
Name	Designation
Mr. Usman Ahsan	Chairman
Mr. Awais Yasin	Member
Ms. Namana Gulrukh Fareed	Member
Mr. Shahab Qadir	Member
Ms. Khursheed Kotwal	Member

Technical Committee	
Name	Designation
Mr. Sajid Hussain	Chairman
Mr. Zia Mustafa Awan	Member
Mr. Nazar Muhammad Ranjha	Member
Ms. Khursheed Kotwal	Member
Mr. Usman Ahsan	Member

Budget & Investment Committee	
Name	Designation
Ms. Khursheed Kotwal	Chairperson
Mr. Muhammad Sharif	Member
Mr. Awais Yasin	Member
Mr. Nazar Muhammad Ranjha	Member

Ethics & Advisory Committee	
Name	Designation
Mr. Shahab Qadir	Chairman
Mr. Muhammad Sharif	Member
Ms. Namana Gulrukh Fareed	Member
Mr. Awais Yasin	Member

Investigation Committee	
Name	Designation
Ms. Namana Gulrukh Fareed	Chairperson
Mr. Muhammad Sharif	Member
Mr. Shaham Ahmed	Member
Mr. Shahab Qadir	Member
Mr. Ahmed Ali Latif	Member



# PIPFA

## BRANCH COMMITTEES

### 2022 -2023

#### FAISALABAD

Mr. Abdus Salam (FPFA)	Convener
Mr. Umar Saeed (FPFA)	Member
Dr. Iqbal Mahmood (FPFA)	Member
Mr. Imran Munir (FPFA)	Member
Mr. Nasir Bashir (APFA)	Member

#### ISLAMABAD

Mr. Zahid Farooq (FPFA)	Convener
Mr. M. Junaid Younas (APFA)	Member
Ms. Tameela Hussain (APFA)	Member
Mr. Waqar Bin Zulfiqar (APFA)	Member
Mr. Waqas Ali (APFA)	Member

#### KARACHI

Mr. Muhammad Aqib (FPFA)	Convener
Mr. Aaqib Jawed (APFA)	Member
Mr. Adnan Abdul Ghaffar (FPFA)	Member
Syed Faraz Ali Shah (FPFA)	Member
Mr. Sabeeh Uz Zaman (APFA)	Member

#### LAHORE

Mr. Farhan Dilawar Sheikh (APFA)	Convener
Mr. Ibn E Abbas Ashraf (FPFA)	Member
Mr. Shaukat Hussain (FPFA)	Member
Mr. Fahim Mukhtar (FPFA)	Member
Mr. Muhammad Aamir Iqbal (APFA)	Member

# **Annual Report** 2023

**Management  
of the  
Institute**

# Management of the Institute



**Mr. Imdad Ali Shaikh**  
Executive Director



**Ms. Rana Nazir Fatima**  
Director Examination



**Mr. M. Naeem Akhtar**  
Director



**Mr. Jamshaid Riaz**  
Joint Director Examinations



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



**Mr. Imran Ahmad**  
Deputy Director Technical



**Mr. Kashif Ullah**  
CFO



**Kh. S. M. Tariq Zafar**  
Assistant Director IT



**Ms. Sameen Azher**  
Assistant Director  
Examinations



**Syed Mujtaba Ihsan**  
Assistant Director  
Marketing



**Mr. Shakeel Butt**  
Assistant Director  
Education



**Mr. Haseeb A. Babar**  
Assistant Director  
Members Affairs



# **Annual Report** 2023

## **Notice of Annual General Meeting**



# Notice of 30<sup>th</sup> Annual General Meeting

Notice is hereby given that 30<sup>th</sup> Annual General Meeting of Pakistan Institute of Public Finance Accountants (PIPFA) will be held at PIPFA Office, 6-Atta Turk Block, New Garden Town, Lahore on Saturday, 28<sup>th</sup> October, 2023 at 4:00 PM to transact the following business;

## **Ordinary Business**

1. To confirm the minutes of the 29<sup>th</sup> Annual General Meeting held on Friday, 4<sup>th</sup> November, 2022 at 3:00 PM at PIPFA Head Office, Karachi.
2. To consider and adopt the audited financial statements of the Institute for the year ended 30<sup>th</sup> June, 2023 together with the Report of the Auditor thereon and the report of the Board of Governors;
3. To appoint Auditors for the year ending 30<sup>th</sup> June, 2024 and fix their remuneration. The present Auditors Parker Russell A.J.S., Chartered Accountants, being eligible, have offered themselves for re-appointment.
4. To elect three Members of the Board of Governors in accordance with clause 29(4) of the Articles of the Association in place of the following retiring Members of the Board of Governors who are eligible for re-election.
  - (i) Mr. Sajid Hussain
  - (ii) Mr. Mohammad Sharif
  - (iii) Mr. Usman Ahsan
5. Any other business with the permission of the Chair.

By order of the Board

**Muhammad Kamran Khan**  
Secretary

October 6, 2023

## **Notes:**

- a) PIPFA Members admitted up to and not having any membership dues outstanding as on 30<sup>th</sup> September 2023 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) The instrument appointing a proxy must be deposited at the Head Office, Karachi of the Institute at least 48 hours before the meeting time.
- d) The members attending the meeting at Lahore will be entitled to cast their votes in person. All other members must cast their votes through Proxy Form (attached at the end of the report).
- e) 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.

## President's Review

It is with great pleasure that I present the 30th Annual Report of the Pakistan Institute of Public Finance Accountants (PIPFA) for the year ended June 30, 2023. This year has been marked by significant achievements within our organization and I extend my sincere gratitude to each and every one of you for your unwavering commitment and dedication to advancing the PIPFA qualification across the Public and Corporate Sectors.

The 2023 Annual Report offers us a moment of reflection on the accomplishments of the past year, while also reinvigorating our resolve to realize the goals and objectives outlined in PIPFA's strategic roadmap. The financial landscape has undergone rapid transformation driven by emerging technologies, resulting in shifts within the accounting profession. In the year 2022-23, PIPFA successfully transitioned all educational activities to digital platforms, including remote Gateway Exams, PSTC, CCPT and Regular Classes, facilitated through online mediums such as Zoom and other social media channels.



I wish to acknowledge the exceptional contributions of the PIPFA team members who exhibited exemplary performance, responsibility and dedication in executing the full spectrum of educational activities. PIPFA's marketing department has played a pivotal role in bolstering our global presence, actively conducting online education campaigns for admissions, exemptions, and Gateway Exams. Through diligent digital marketing efforts, the department has enhanced our brand visibility and garnered increased registrations.

Continued Professional Development (CPD) activities are imperative for individuals to remain abreast of the latest trends, skills, and knowledge. PIPFA is deeply committed to facilitating these activities, nurturing professional growth by expanding expertise, enhancing performance, and enriching career prospects. CPD activities encompass diverse avenues such as workshops, seminars, conferences, webinars, higher education pursuits and engagement in professional organizations.

In our pursuit of extending our influence in the global financial arena and establishing a distinguished standing for professional accountants, PIPFA is actively forging collaborations with esteemed international organizations such as the South Asian Federation of Accountants (SAFA) and the Confederation of Asian & Pacific Accountants (CAPA). Through dedicated efforts, PIPFA has already attained membership of the International Federation of Accountants (IFAC), signaling our proactive intent to play our due role at global level.



CIPFA and PIPFA are engaged in a joint endeavor to enhance the expertise of Public Finance Accountants on a global scale. PIPFA's introduction of the Public Financial Management (PFM) scheme, in collaboration with CIPFA, is designed to equip professionals in the Public Sector with internationally recognized qualifications.

### **Future Plans**

1. PIPFA's foremost objective is to secure membership with renowned professional accounting bodies such as SAFA and CAPA.
2. Expanding the network of Memorandums of Understanding (MOUs) with universities, institutes, and consultancy firms to expand the job market for PIPFA's members and students.
3. Progressing the drafted PIPFA Act through proactive engagement to fulfill legal formalities under the guidance of stakeholders, with the goal of expeditious approval.
4. Continual refinement of professional syllabus and papers tailored for public sector entities, enabling public sector students to acquire accredited finance qualifications and broaden their horizons.
5. Inclusion of additional government organizations within our client portal to foster greater participation from the public sector.

The 2023 Annual Report illuminates PIPFA's strides, further elevating the institute's prominence within the finance profession. It underscores the innovative approaches that PIPFA members and staff have undertaken to drive our mission forward. With the support of our dedicated team, I am confident that we will continue to flourish and thrive in years to come.

As we shift our focus toward the upcoming year, I wish to extend heartfelt gratitude to the Board of Governors, branch committee members, employees, faculty, and students for their continued commitment and contributions to fortifying PIPFA's standing. I express deep appreciation to our sponsoring bodies, AGP, ICAP, and ICMAP, for their enduring trust and support. The dedication and diligence of our esteemed employees have significantly contributed to PIPFA's accomplishments and prosperity.

I extend my sincere thanks to all of you for your steadfast dedication in advancing the growth and development of PIPFA.

**M. Ali Latif**  
President





# **Annual Report** 2023

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

# Report of the Board of Governors

The Board of Governors of Pakistan Institute of Public Finance Accountants (PIPFA) is delighted to present the 2023 Annual Report accompanied by the Audited Financial Statements for the fiscal year ended June 30, 2023. As a member of the International Federation of Accountants (IFAC), PIPFA is dedicated to upholding the highest educational, ethical and professional standards. Our primary goal is to align our syllabi with the rigorous international benchmarks set forth by IFAC.

In this year, PIPFA successfully organized a series of impactful webinars and comprehensive training sessions which have significantly contributed to the professional growth of our members. Our unwavering commitment to excellence and ethical conduct remains at the core of our mission. We eagerly anticipate making even greater contributions to the accountancy profession in the coming years.

Our dedication is firmly rooted in principles of effective governance and continuous growth. We are steadfast in our resolve to further enhance our educational programs, expand our outreach and strengthen our professional community. As we move forward, PIPFA remains fully committed to its vision of excellence and integrity in the realm of public finance and accounting.

## FINANCIAL HIGHLIGHTS

The financial performance for the year 2022-23 as compared to 2021-22 is as follows:

	2022-23 (Rupees)	2021-22 (Rupees)	Percentage Increase
Revenues	100,566,447	77,172,260	30%
Expenses	74,871,629	58,058,153	29%
Surplus for the year	25,694,818	19,114,107	34%

The Board's dedication led to progress, evident in financial performance and profitability. This year a surplus of Rs25 million reflects disciplined budgeting, prudent management, financial stewardship and commitment to quality, strategic planning and board's proactive approach to ensuring the institute's financial sustainability. Revenue from Members and Examination Departments increased as a result of incorporating innovation and adaptation of modern assessment practices including introduction of online classes of CCPT and access to Gateway exams globally. Strategic marketing initiatives have also contributed significantly to the growth and influence.

Despite increased expenditures and challenges that affected financials in all departments and utilities, the Board through strategic planning and proactive approach paved the way to minimize and curb the expenses. Although a decline in corporate sector registrations and lesser nominations from public sector affected the revenue from Education Department but the management and the Board are optimistic that the performance will improve significantly in the upcoming years due to increased efforts to promote the qualification through comprehensive planning.



## **THE BOARD COMMITTEES**

The Board's decision-making is supported by detailed review carried out by its committees. The Board is supported by 10 standing committees as listed below.

1. Executive Committee
2. Board of Studies
3. Examination Committee
4. Budget & Investment Committee
5. Audit Committee
6. Technical Committee
7. Continuous Professional Development (CPD) & Publication Committee
8. Ethics & Advisory Committee
9. Regulatory & Disciplinary Committee
10. Investigation Committee

The Board's decision-making is supported by above Committees to optimize coaching expenses through strategic collaboration, improved financial health and revenue growth while reducing non-developmental expenditures. We believe that due to these strategies, bolstered by educational and marketing activities, IFAC membership, expanded CPD offerings and with focused efforts and strategic alliances, we're poised for exceptional financial results, making a significant impact on both our performance and the accountancy landscape. In line with our commitments from the previous year, PIPFA has successfully established Memoranda of Understanding with key entities and also looking forward to expand this reach further in different sectors.

## **GOOD GOVERNANCE INITIATIVES**

The Institute's unwavering commitment to robust corporate governance is aligned with the Code of Corporate Governance (CCG) by SECP. Though not bound to mandatory compliance, the Board aims to adopt these standards, driven by ethical dedication and best practices.

The Board has established an Audit Committee for meticulous oversight, enlisting independent experts for transparency. An Ethics and Advisory Committee has also been formed based on IFAC Code of Ethics, guiding members and students in professional ethics.

Through these strategic actions, the Board aims to reinforce not only the Institute's internal controls and financial integrity but also its commitment to fostering a culture of unwavering ethical conduct. These committees stand as symbolic of our dedication to upholding the highest professional standards while nurturing a climate of transparency and ethical excellence.

A comprehensive Code of Conduct applies to Board Members and PIPFA Members, emphasizing integrity, diligence, and confidentiality. It is designed to prevent conflicts of interest and ensure ethical handling of sensitive information.

## **MEMBER STATISTICS**

As of June 30, 2023, PIPFA takes great pride in its expanding membership, which now stands at an impressive tally of 8,580. This increase, marked by a growth of 283 members, underscores the Institute's ongoing expansion and its notable recognition within the industry. This numerical elevation not only highlights the rising esteem of PIPFA Membership but also mirrors the steadfast confidence placed in the Institute's educational offerings.



At the core of PIPFA's mission lies an unwavering dedication to fostering the professional development of its members. This commitment has firmly established PIPFA as a highly sought-after qualification and membership avenue, particularly as an entry point into the mid-tier employment sector. Moreover, affiliating with the PIPFA community provides members with invaluable opportunities for networking and performance benchmarking. The Institute's platform serves as a unifying nexus, enabling members to connect and collaborate with accountants hailing from diverse accounting bodies. This collaborative environment not only fosters networking but also offers a shared platform for mutual growth and professional advancement.

Member's number has further increased due to expansion in global recognition in accounting bodies like SOCPA (Saudi Organization of Professional Accountants) and will help our members to get multiple benefits.

### **CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD) ACTIVITIES**

PIPFA actively supports members' ongoing learning, personal growth, and professional progression. This commitment is upheld through high-quality Continuing Professional Development (CPD) activities tailored exclusively for members. Our annual CPD events including seminars, webinars and training sessions form a crucial bridge to ensure members stay updated in the rapidly evolving landscape of their fields. This dynamic approach empowers members to continuously elevate their skills and adapt to new requirements, maintaining their professional edge.

The PIPFA Journal, a significant resource, provides insights into various issues and serves as a platform for knowledge-sharing among members. This publication underscores our commitment to fostering continuous learning and collaborative knowledge exchange within the professional community.

### **STUDENTS ENROLMENT**

PIPFA extends its support to students from the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan) through the Gateway Scheme, a valuable opportunity that enables students to attain global recognition. Additionally, PIPFA has forged a Memorandum of Understanding (MOU) with the Chartered Institute of Public Finance and Accountancy (CIPFA) in the United Kingdom. This strategic alliance opens doors for PIPFA Affiliates and Members across both the Public and Corporate Sectors to pursue CIPFA Affiliate status or further their education with a premier international professional body.

Furthermore, a significant step undertaken by PIPFA involves the initiation of the Public Financial Management (PFM) stream tailored for the Public Sector. This pioneering initiative serves as a pathway for direct membership with CIPFA (UK), further enhancing the Institute's international credentials and offerings.

In tandem with these achievements, it is noteworthy that the number of new student enrollments as of June 30, 2023, reached a total of 679. However, this figure reflects a decline compared to the previous year. Several factors have contributed to this decrease, including fewer nominations from both the Government Sector and the corporate sector.

### **MARKETING**

The Institute is resolute in its commitment to creating and executing a strong contemporary marketing strategy. By adopting an assertive approach, our goal is to expand our student base, particularly within the corporate sector. We've improved our presence in modern communication channels like Facebook, Twitter, LinkedIn, Instagram, and other social platforms, significantly increasing our reach.

PIPFA's marketing has notably boosted its prominence in the accounting community, attracting new aspirants and organizations. Our social media campaigns effectively introduce our qualification to the right audience, ensuring its proper recognition. They actively engage with educational institutions, sharing vital information and addressing inquiries related to admissions, exemptions, exams, registration, and membership.



## **WAY FORWARD**

- I. Initiating Collaborative Agreements (MOUs) with both public and private sector universities to provide pathways for PIPFA students and members, enhancing their education and attracting prospective students to pursue a career as professional accountants.
- II. Establishing MOUs with prominent accounting firms to facilitate our affiliates and members by offering training opportunities and aiding in job placements.
- III. Expanding the spectrum of public sector training to encompass areas that have yet to be explored, addressing the pressing need for competency enhancement among government employees. This includes targeted training for District Accounts Officers (DAOs).
- IV. Executing the implementation of revised PIPFA's Memorandum of Association and Articles of Association, aligning them with the provisions of the Companies Act, 2017. The compliance of established procedures for the approval of various forums is currently in progress.
- V. Ensuring the seamless advancement of the drafted PIPFA Act, encompassing all necessary legal and procedural formalities. The goal is to finalize discussions with relevant stakeholders and sponsoring bodies to present the Act for consideration in the National Assembly at the earliest opportunity.
- VI. Pursuing membership opportunities with renowned Professional Accountancy bodies like SAFA (South Asian Federation of Accountants) and CAPA (Confederation of Asian and Pacific Accountants).
- VII. Introducing standardized syllabi and papers for adoption by all Public Sector organizations, fostering consistency and coherence in education and training across the sector.
- VIII. Exploring additional Government organizations that align with PIPFA's domain, aiming to increase student enrollment from the Public sector.
- IX. Providing robust capacity-building support and educational services to various Public Sector organizations, fortifying their skills and capabilities in alignment with the highest professional standards.

## **ACKNOWLEDGEMENT**

We extend our heartfelt appreciation to the diligent efforts put forth by our dedicated PIPFA employees, both at the Secretariat and across all our Centers. Their commitment and hard work are commendable and form our accomplishments' backbone.

Our gratitude is also extended to the esteemed members of PIPFA branch committees of Karachi, Lahore, Islamabad, and Faisalabad. Their unwavering commitment, especially in organizing a diverse array of CPD activities and overseeing marketing and promotional initiatives, have been instrumental in driving our success.

We are indebted to the independent members of the Audit Committee for their invaluable contributions and dedicated efforts in enhancing accounting practices and internal controls. Their insights have played a crucial role in elevating our standards.

Our sincere appreciations are also extended to our cherished members, students, and all stakeholders. Their unwavering trust and support have been pivotal in propelling the progress of PIPFA. We remain dedicated to delivering excellence and look forward to continuing this journey of growth and accomplishment together.

On behalf of the Board Governors

**MEMBER, BOARD OF GOVERNORS**

**PRESIDENT**



# **Annual Report** 2023

## **Independent Auditors' Report**



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS** (the Institute), which comprise the statement of financial position as at **JUNE 30, 2023** and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2023** and of the surplus, total comprehensive income, the changes in funds and its cash flows for the year then ended.

#### Basis for 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the 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 other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this respect.

#### Responsibilities of Management and Board of Governors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Board of governors are responsible for overseeing the Institute's financial reporting process.

#### Auditors' Responsibilities for the Audit of 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 auditors' 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 when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is 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, misrepresentations, or the override of internal controls.
- Obtain an 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 Institute'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, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute 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 transactions and events in a manner that achieves fair presentation.

We communicate with the board of governors 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.

We also provide the board of governors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Institute as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Institute's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Mr. Junaid Subhani - FCA**.

**CHARTERED ACCOUNTANTS  
FAISALABAD**

**DATE: October 03, 2023**

**UDIN: AR202310478ovjnTDxYX**





# **Annual Report** 2023

## **Financial Statements**



**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 RUPEES	2022 RUPEES
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	29,490,846	23,764,862
Investment property	5	-	876,231
Intangible assets	6	235,599	9,644
Long term deposits		660,000	660,000
		<b>30,386,445</b>	<b>25,310,737</b>
<b>CURRENT ASSETS</b>			
Advances	7	190,880	67,000
Deposits, prepayments and other receivables	8	8,488,993	14,151,724
Short term investments	9	40,880,000	8,000,000
Tax refund due from the Government	10	536,504	373,441
Bank balances	11	6,452,324	7,152,316
		<b>56,548,701</b>	<b>29,744,481</b>
<b>TOTAL ASSETS</b>		<b>86,935,146</b>	<b>55,055,218</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Members' subscription	12	3,569,555	3,307,109
Staff retirement gratuity	13	10,855,336	8,336,249
		<b>14,424,891</b>	<b>11,643,358</b>
<b>CURRENT LIABILITIES</b>			
Current maturity of members' subscription	12	362,004	358,989
Accrued and other liabilities	14	4,990,895	1,038,873
		<b>5,352,899</b>	<b>1,397,862</b>
Contingencies and commitments	15	-	-
<b>TOTAL LIABILITIES</b>		<b>19,777,790</b>	<b>13,041,220</b>
<b>NET ASSETS</b>		<b>67,157,356</b>	<b>42,013,998</b>
<b>REPRESENTED BY:</b>			
General Fund		66,757,356	41,613,998
Endowment Fund		400,000	400,000
<b>TOTAL FUNDS</b>		<b>67,157,356</b>	<b>42,013,998</b>

The annexed notes, from 1 to 31, form an integral part of these financial statements.

MEMBER, BOARD OF GOVERNORS

PRESIDENT



**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 RUPEES	2022 RUPEES
<b>Income</b>			
Students' registration and annual subscription fee	16	6,527,200	7,294,995
Examination and exemption fee	17	26,173,550	22,201,580
Members' registration and annual subscription fee	18	6,414,799	5,398,002
Coaching fee	19	29,032,909	24,190,940
Other income	20	32,417,989	18,086,743
		<b>100,566,447</b>	<b>77,172,260</b>
<b>Expenditure</b>			
Examination department expenses	21	19,490,424	14,595,924
Members' department expenses	22	3,335,969	2,688,805
Coaching department expenses	23	34,284,344	23,820,768
Administrative expenses	24	17,760,892	16,952,656
		<b>74,871,629</b>	<b>58,058,153</b>
<b>Surplus before taxation</b>		<b>25,694,818</b>	<b>19,114,107</b>
Taxation		-	-
<b>Surplus for the year</b>		<b>25,694,818</b>	<b>19,114,107</b>

The annexed notes, from 1 to 31, form an integral part of these financial statements.

MEMBER, BOARD OF GOVERNORS

PRESIDENT



**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 RUPEES	2022 RUPEES
Surplus for the year		25,694,818	19,114,107
Other comprehensive income:			
<b>Items that will not be reclassified to income and expenditure</b>			
Remeasurement of net defined benefit liability	13.4	(551,460)	(452,051)
<b>Items that may be reclassified to income and expenditure</b>		-	-
Total comprehensive income for the year		<u>25,143,358</u>	<u>18,662,056</u>

The annexed notes, from 1 to 31, form an integral part of these financial statements.

MEMBER, BOARD OF GOVERNORS

PRESIDENT



**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Endowment Fund	Total
	Rupees		
<b>Balance as at July 01, 2021</b>	22,951,942	400,000	23,351,942
Surplus for the year	19,114,107	-	19,114,107
Other comprehensive income	(452,051)	-	(452,051)
<i>Total comprehensive income for the year</i>	18,662,056	-	18,662,056
<b>Balance as at June 30, 2022</b>	41,613,998	400,000	42,013,998
Surplus for the year	25,694,818	-	25,694,818
Other comprehensive income	(551,460)	-	(551,460)
<i>Total comprehensive income for the year</i>	25,143,358	-	25,143,358
<b>Balance as at June 30, 2023</b>	<b>66,757,356</b>	<b>400,000</b>	<b>67,157,356</b>

The annexed notes, from 1 to 31, form an integral part of these financial statements.

MEMBER, BOARD OF GOVERNORS

PRESIDENT



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 RUPEES	2022 RUPEES
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		25,694,818	19,114,108
<b>Adjustment for non-cash/non-operating items:</b>			
Depreciation on property and equipment		900,027	965,525
Amortization of Intangible assets	6	49,045	4,820
Gain on Disposal of Investment Property	20	(25,585,918)	-
Staff retirement gratuity	13.2	2,235,456	1,656,873
		<u>(22,401,390)</u>	<u>2,627,218</u>
<b>Surplus before working capital changes</b>		<b>3,293,428</b>	<b>21,741,326</b>
<b>Decrease / (Increase) in current assets</b>			
Loans and advances	7	(123,880)	34,000
Trade deposits, prepayments and other receivables	8	5,662,731	(7,697,945)
		<u>5,538,851</u>	<u>(7,663,945)</u>
<b>Increase / (Decrease) in current liabilities</b>			
Accrued and other liabilities	14	3,952,022	(4,868,298)
Members' subscription - advance	12	265,461	12,000
<b>Cash generated from operating activities</b>		<b>13,049,762</b>	<b>9,221,083</b>
Income tax paid	10	(163,063)	(373,441)
Staff retirement gratuity paid	13.1	(267,829)	(499,445)
<b>Net cash generated from operating activities</b>		<b>12,618,870</b>	<b>8,348,197</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property and equipment	4	(6,615,058)	(446,225)
Payment for purchase of intangible assets	6	(275,000)	-
Proceeds from sale of investment property	5	26,451,196	-
Encashment of term deposits		-	2,000,000
Payment for short term investments	9	(32,880,000)	(10,000,000)
Long term deposit		-	(660,000)
<b>Net cash used in investing activities</b>		<b>(13,318,862)</b>	<b>(9,106,225)</b>
<b>Net decrease in cash and cash equivalents (A+B)</b>		<b>(699,992)</b>	<b>(758,028)</b>
Cash and cash equivalents at the beginning of the year		7,152,316	7,910,344
<b>Cash and cash equivalents at the end of the year</b>	11	<b>6,452,324</b>	<b>7,152,316</b>

The annexed notes, from 1 to 31, form an integral part of these financial statements.

MEMBER, BOARD OF GOVERNORS

PRESIDENT



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

### **1. INSTITUTE AND GENERAL INFORMATION**

#### **1.1 Legal status and operation**

Pakistan Institute of Public Finance Accountants (the Institute) was incorporated on 28th of October, 1993 as a public company limited by guarantee under section 42 of the repealed Companies Ordinance, 1984 (Now Companies Act, 2017).

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 inception, the name of the institute was 'The Association of Accounting Technicians of Pakistan' (AAT) which was changed to the present name in August 2000. PIPFA is a non-profit organization wholly committed to providing accounting education and development.

The head office and registered office of the Institute is situated at M1 & M2, Park Avenue, Mezzanine Floor, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi while its regional offices are situated as follows:

- i) Ajmal Center-1, Second floor, 289-1, Batala Colony, Faisalabad.
- ii) Office No. 27 & 28, 3rd Floor, Rehmat Centre, Plot No. 07, I-8 Markaz, Islamabad.
- iii) 6-Atta Turk Block, New Garden Town, Lahore.

#### **1.2 Endowment Fund**

The Board of Governors in its 123rd meeting held on September 29, 2018, established an Endowment Fund to award gold medals to students on outstanding performance. Balance of fund includes transfer from general fund and contribution made by members during the year.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### **2.2 Accounting convention**

These financial statements have been prepared under the historical cost convention following accrual basis of accounting except for revenue as disclosed in the relevant notes of these financial statements and cash flow information.

#### **2.3 Functional and presentation currency**

Items included in the financial statements of the Institute are measured using the currency of the primary economic environment in which the Institute operates (the functional currency). These financial statements are presented in Pakistan Rupee (Rs.), which is the Institute's functional and presentation currency.

#### **2.4 Significant accounting estimates and judgments**

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. Estimates and judgment are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Institute's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

	Note
> Fixed assets, Intangibles, Investment property, Investments	3.1, 3.3, 3.4, 3.5, 4, 5 & 6
> Long term investments	3.5
> Staff retirement gratuity	3.9, 13
> Income recognition	3.15, 16 to 20

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these financial statements are set out below and have been consistently applied to all years presented.

#### **3.1 Property and equipment**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for Subsequent costs, if reliably measurable, are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Institute.

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

Assets useful lives and residual values that are significant in relation to the total cost of the assets are reviewed, and adjusted if appropriate on a prospective basis, at each date of statement of financial position.

Depreciation is charged by applying the reducing balance method after taking into account residual value, if any, at the rates mentioned in the note 4 to these financial statements. Depreciation is charged from the month the asset is available for use and up to the month, preceding the disposal.

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as other income in the statement of income and expenditure.

#### **3.2 Capital work-in-progress**

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consist of expenditure incurred in the course of construction and installation of property and equipment. These are transferred to specific assets as and when these are available for intended use.

#### **3.3 Intangible Assets**

This represents computer software which is stated cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged so as to allocate the cost of computer software over its estimated useful live, using the reducing balance method at the rates specified in note 6 to the financial statements.

#### **3.4 Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property is valued using cost model i.e. at cost less accumulated depreciation and accumulated 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 labor, any other costs directly attributable to bringing the investment property to its working condition for their intended use and capitalized borrowing costs.

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





The useful life, residual value and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

The Institute assesses at each date of statement of financial position whether there is any indication that the investment property may be impaired. If such indication exists, the carrying amount of such assets are written down to their recoverable amount and the resulting impairment loss is recognized in the statement of income and expenditure. 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.

Gains and losses on disposal of investment property is charged to the statement of income and expenditure.

### **3.5 Investments**

#### **Held to maturity**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an Institute has the positive intention and ability to hold till 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 statement of income and expenditure over the period of the investments on an effective yield method.

### **3.6 Taxation**

The Institute is a Not for Profit Organization under section 2 (36) the Income Tax Ordinance 2001, and is eligible to claim 100% tax credit against tax payable.

### **3.7 Financial assets and Financial 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 the statement of income and expenditure.

Financial assets are derecognized at the time when the Institute loses control of the contractual rights associated with 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 the statement of income and expenditure.

### **3.8 Provisions**

Provisions are recognized in the statement of financial position 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. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

### **3.9 Staff retirement gratuity**

The Institute operates defined benefit plan comprising an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme.

The Institute's net liability in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employee have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit liability is performed annually by a qualified actuary using the projected unit credit method (PUC).

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income. The Institute determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contribution and benefit payments. Net interest expense and other expense related to defined benefit plans recognized in statement of income and expenditure.



When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Institute recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains and losses are recognized in the other comprehensive income in the period in which they occur. The latest actuarial valuation of the plan was carried out as at June 30, 2023.

### **3.10 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.

### **3.11 Contingent liabilities**

A contingent liability is disclosed when the Institute has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Institute; or the Institute has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### **3.12 Off-setting of financial assets and liabilities**

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Institute has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### **3.13 Impairment of non-financial assets**

Carrying amount of the assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of income and expenditure.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if any, if no impairment loss had been recognized. The Institute recognizes the reversal immediately in the statement of income and expenditure.

### **3.14 Cash and cash equivalents**

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

### **3.15 Revenue recognition**

Revenue is recognized to the extent the Institute has rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Institute. Revenue is measured at the fair value of the consideration received or receivable, exclusive of discounts (if any).

#### **Students' registration and annual subscription fee**

This includes registration fee, annual subscription fee, restoration fee, identity card charges and career plan charges. Registration fee represents fee paid by the student for admission to the Institute. Annual subscription fee represents annual fee paid by the students which becomes due on July 1 each year. Registration fee is recognized in the period in which student is registered while annual subscription fee is recognized on receipt basis or when right to receive is established.

#### **Examination and exemption fee**

Examination fee is recognized in period in which examination are conducted whereas, exemption fee is recognized on receipt basis.

#### **Members' registration and annual subscription fee**

This represents registration fee paid in respect of obtaining membership of the Institute. Annual membership fee represents annual fee paid by members which becomes due on July 1 each year. Registration fee is recognized in the period in which member is registered while annual subscription fee is recognized on receipt basis or when right to receive is established.

In case of other arrangements, the members are allowed to make lump sum payment against membership for 10 to 20 years. In such cases, the amount paid is amortized and charged to the statement of income and expenditure over the period of such arrangement.

**Coaching fee**

This represents consideration received against coaching services provided by the Institute. This fee is recognized on receipt basis or when right to receive is established.

### Mark-up and other income

Mark-up on interest bearing investments and saving accounts with banks, and other income is recognized as other income on an accrual basis using the effective interest rate method.

### 3.16 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to the statement of income and expenditure.

### 3.17 Borrowings and borrowing costs

Borrowings are initially recognized at fair value and are subsequently carried at amortized cost.

Borrowing costs are recognized on the basis of the effective interest method. Borrowing costs are recognized as an expense in the statement of income and expenditure in the period in which they are incurred.

### 3.18 Related party transactions

Parties are considered to be related party 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. The details of related parties with whom the Institute has entered into transactions with or has arrangements/agreements in place during the year are as follows:

Name of related party	Basis of relationship
Institute of Chartered Accountants of Pakistan (ICAP)	Sponsoring body
Institute of Cost and Management Accountants of Pakistan (ICMAP)	Sponsoring body
Auditor General of Pakistan (AGP)	Sponsoring body
SKANS School of Accountancy	Common key management personnel
Mr. Muhammad Ali Latif	Member, Board of Governors
Mr. Usman Ahsan	Member, Board of Governors
Mr. Muhammad Kamran Khan	Member, Board of Governors
Mr. Muhammad Sharif	Member, Board of Governors
Mr. Shaham Ahmed	Member, Board of Governors
Mr. Shahab Qadir	Member, Board of Governors
Mr. Zia-ul Mustafa Awan	Member, Board of Governors
Mr. Awais Yasin	Member, Board of Governors
Ms. Khursheed Kotwal	Member, Board of Governors
Mr. Nazar Muhammad Ranjha	Member, Board of Governors
Mr. Sajid Hussain	Member, Board of Governors
Ms. Namana Gulrukh Fareed	Member, Board of Governors
Mr. Imdad Ali Shaikh	Key management personnel
Ms. Rana Nazir Fatima	Key management personnel
Mr. M. Naeem Akhtar	Key management personnel
Mr. Jamshaid Riaz	Key management personnel
Mr. Atiq-ur-Rehman	Key management personnel
Mr. Kashif Ullah	Key management personnel
Mr. Imran Ahmed	Key management personnel
Mr. Adnan Palijo	Key management personnel



**4 Property and equipment**

		June 30, 2023	June 30, 2022
	<b>Note</b>	<b>Rupees)</b>	
Operating fixed assets	4.1	23,239,873	23,764,862
Capital work in progress		6,250,973	—
		<u>29,490,846</u>	<u>23,764,862</u>

**4.1 Operating fixed assets**

Reconciliations of carrying amounts of operating fixed assets at the beginning and at the end of the year are as follows:

Description	Freehold land*	Office on freehold land	Electrical equipment	Office equipment	Furniture and fixtures	Vehicles	Library books**	Total
	(Rupees)							
Cost as at June 30, 2021	15,732,078	6,199,902	2,846,938	4,788,636	3,654,167	1,536,570	49,524	34,807,815
Additions	—	—	63,875	322,350	60,000	—	—	446,225
Disposal / Adjustment	—	—	—	—	—	—	—	—
Accumulated Depreciation	—	(1,861,906)	(2,334,894)	(4,306,438)	(2,234,758)	(701,658)	(49,524)	(11,489,178)
Net book value as at June 30, 2022	15,732,078	4,337,996	575,919	804,548	1,479,409	834,912	—	23,764,862
Net book value as at June 30, 2021	15,732,078	4,566,312	649,625	773,627	1,580,270	982,250	—	24,284,162
Additions	—	—	63,875	322,350	60,000	—	—	446,225
Disposal / Adjustment	—	—	—	—	—	—	—	—
Depreciation for the year	—	(228,316)	(137,581)	(291,429)	(160,861)	(147,338)	—	(965,525)
Net book value as at June 30, 2022	15,732,078	4,337,996	575,919	804,548	1,479,409	834,912	—	23,764,862
Net book value as at June 30, 2022	15,732,078	4,337,996	575,919	804,548	1,479,409	834,912	—	23,764,862
Additions	—	—	29,500	334,585	—	—	—	364,085
Disposal / Adjustment	—	—	—	—	—	—	—	—
Depreciation for the year	—	(216,900)	(120,426)	(278,570)	(147,941)	(125,237)	—	(889,074)
Net book value as at June 30, 2023	15,732,078	4,121,096	484,993	860,563	1,331,468	709,675	—	23,239,873
Cost as at June 30, 2022	15,732,078	6,199,902	2,910,813	5,110,986	3,714,167	1,536,570	49,524	35,254,040
Additions	—	—	29,500	334,585	—	—	—	364,085
Disposal / Adjustment	—	—	—	—	—	—	—	—
Accumulated depreciation	—	(2,078,806)	(2,455,320)	(4,585,008)	(2,382,699)	(826,895)	(49,524)	(12,378,252)
Net book value as at June 30, 2023	15,732,078	4,121,096	484,993	860,563	1,331,468	709,675	—	23,239,873
Depreciation rate per annum	—	5%	20%	30%	10%	15%	20%	

\* Freehold land and office on freehold land is situated at 6-Atta Turk block, New Garden Town, Lahore, admeasuring 0.125 acres which has been duly registered in the name of the Institute.

\*\* Library books are fully depreciated, but are still in use.

**4.2 Depreciation for the year has been allocated as under:**

		June 30, 2023	June 30, 2022
	<b>Note</b>	<b>Rupees)</b>	
Coaching department expenses	23	455,578	496,853
Administrative expenses	24.1	433,496	468,672
		<u>889,074</u>	<u>965,525</u>



	Note	2023 RUPEES	2022 RUPEES
<b>5 INVESTMENT PROPERTY</b>			
Opening net book value		876,231	922,348
Depreciation charge for the year	5.4	(10,953)	(46,117)
Carrying Amount of disposal as at Oct 13, 2022		(865,278)	-
Net book value at end of the year		-	876,231
<b>Gross carrying value</b>			
Opening as at July 01,		2,572,901	2,572,901
Accumulated depreciation		(1,707,623)	(1,696,670)
Deletion		(2,572,901)	-
Accumulated depreciation on disposal		1,707,623	-
Net book value at end of the year		-	876,231
<b>Depreciation rate (% per annum)</b>		5%	5%
<b>5.1</b>	This represents office premises bearing Plot No. 1005, 10th Floor, Park Avenue, Plot 24/A, Block-6, P.E.C.H.S, Karachi. The premises is not occupied by the Institute and is held for rental purposes. The executive director stated that Executive committee in its 35th meeting held on 29-02-2022 unanimously approved the sale of above PIPFA property to the highest bidder M/s Ayaz Latif at the price of Rs. 26.7 million.		
<b>5.2</b>	Depreciation on this property is calculated using reducing balance method to allocate the cost less its residual value over its estimated useful life of 20 years (i.e. 5%).		
<b>5.3</b>	The fair value of investment property was assessed at Rs. 19.72 million while forced sale value of the investment property was assessed at Rs. 15.77 million as on September 17, 2021 by Arif Evaluators, an approved professional valuer, on the panel of Pakistan Bank's Association (PBA).		
<b>5.4 Depreciation for the year has been allocated as follows:</b>			
Administrative expenses	24.1	10,953	46,117
<b>6 INTANGIBLE ASSETS</b>			
Opening net book value		9,644	14,464
Addition		275,000	-
Amortization for the year	6.1	(49,045)	(4,820)
Net book value at end of the year		235,599	9,644
<b>Gross carrying value</b>			
Opening cost		922,064	922,064
Addition		275,000	-
Accumulated amortization		(961,465)	(912,420)
Net book value at end of the year		235,599	9,644
<b>Amortization rate (% per annum)</b>		33.33	33.33
<b>6.1 Amortization for the period has been allocated as under:</b>			
Examination department expenses	21	49,045	4,820



	Note	2023 RUPEES	2022 RUPEES
<b>7 ADVANCES</b>			
<b>Advances to staff-secured</b>			
Against salary	7.1	70,000	42,000
Against expenses		120,880	25,000
		<u>190,880</u>	<u>67,000</u>

7.1 This represents advance to employees against personal expenses and is secured against gratuity.

**8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

**Deposits**

Security deposits against rent	590,000	590,000
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**Prepayments**

Insurance	10,757	223,120
Fee and subscription	703,028	548,545
	<u>713,785</u>	<u>771,665</u>

**Other receivables - considered good  
un-secured**

**Dues from related parties**

Auditor General Pakistan (AGP)	8.1	677,575	347,425
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**Other than related parties**

Pakistan Military Accounts Department (PMAD)	15,750	15,750
Controller General of Accounts (CGA)	76,250	9,485,600
Government of Punjab (GoP)	257,100	281,953
Receivable from AJ&K	21,000	-
Receivable from KPK	159,000	-
Receivable from Government of Sindh	148,200	-
PMAD Students	1,596,559	1,589,959
Corporate Students (Online)	697,300	655,325
Accrued profit	3,532,599	376,110
Others	3,875	37,937
	<u>7,185,208</u>	<u>12,790,059</u>
	<u>8,488,993</u>	<u>14,151,724</u>

8.1 The maximum outstanding balance from Auditor General of Pakistan (AGP) during the year was:

<u>1,078,675</u>	<u>1,570,437</u>
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8.2 The aging of other receivables due from related party is as follows:

Past due 1-30 days	-	14,400
Past due 31-90 days	344,550	-
Above 90 days	333,025	333,025
	<u>677,575</u>	<u>347,425</u>

**9 SHORT TERM INVESTMENTS**

**At amortized cost**

Term deposit receipts (TDRs)	<u>40,880,000</u>	<u>8,000,000</u>
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9.1 This represents investments made in Term Deposit Receipts for one year amounting to Rs. 40,880,000/- (2022: Rs. 8,000,000/-). The rate of profit on these investments ranging from 11% to 17.1% per annum (2022: 11% per Annum).



	Note	2023 RUPEES	2022 RUPEES
<b>10 TAX REFUND DUE FROM THE GOVERNMENT</b>			
Income tax		<u>536,504</u>	<u>373,441</u>
<b>11 BANK BALANCES</b>			
Current Accounts		3,201,454	1,545,793
Saving Accounts		<u>3,250,870</u>	<u>5,606,523</u>
	11.1	<u>6,452,324</u>	<u>7,152,316</u>
11.1 Saving accounts carries profit at the rate ranging from 17% to 19% (2022: 2.69% to 14.21%) per annum.			
<b>12 MEMBERS' SUBSCRIPTION</b>			
<b>Secured</b>			
Members' subscription - advance		3,931,559	3,666,098
Current maturity		<u>(362,004)</u>	<u>(358,989)</u>
		<u>3,569,555</u>	<u>3,307,109</u>
<b>13 STAFF RETIREMENT GRATUITY</b>			
Present value of defined benefit liability	13.1	10,727,034	8,208,614
Plus payables		<u>128,302</u>	<u>127,635</u>
		<u>10,855,336</u>	<u>8,336,249</u>
Institute operated an unfunded gratuity scheme for its employees detail of which are as follows:			
<b>13.1 Movement in net defined benefit liability - gratuity</b>			
Balance at 01 July		8,208,614	6,433,101
Included in statement of profit or loss	13.2	2,235,456	1,656,873
Benefits due but not paid		<u>(24,000)</u>	<u>(23,333)</u>
Adjustments for last year's payables		-	(17,853)
Benefits paid		<u>(244,496)</u>	<u>(292,225)</u>
Included in other comprehensive income	13.4	551,460	452,051
Present value of defined benefit liability		<u>10,727,034</u>	<u>8,208,614</u>
<b>13.2 Included in statement of profit or loss</b>			
Current service cost		1,145,417	1,013,663
Interest cost		<u>1,090,039</u>	<u>643,210</u>
		<u>2,235,456</u>	<u>1,656,873</u>
<b>13.3 Expense is recognized in the following line items in statement of profit or loss</b>			
Examination department expenses	21	771,750	579,594
Members' department expenses	22	118,194	93,155
Coaching department expenses	23	1,234,991	939,779
Administrative expenses	24	<u>110,521</u>	<u>44,345</u>
		<u>2,235,456</u>	<u>1,656,873</u>





	Note	2023 RUPEES	2022 RUPEES
<b>13.4 Included in other comprehensive income</b>			
Actuarial gains from changes in financial assumptions		(405,186)	65,400
Experience adjustments on defined benefit liability		956,646	386,651
		<b>551,460</b>	<b>452,051</b>

### 13.5 Key actuarial assumption

The latest actuarial valuation was carried out on 30 June 2023 using projected unit credit method with the following assumptions:

#### Actuarial assumption

Discount rate used for interest cost in P&L charge	13.50%	10.25%
Discount rate used for end obligation	15.75%	13.50%
Salary increase used for year end obligation		
Salary increase FY 2023	N/A	12.25%
Salary increase FY 2024	10.00%	12.25%
Salary increase FY 2025	14.75%	12.25%
Salary increase FY 2026	14.75%	12.25%
Salary increase FY 2027	14.75%	12.25%
Salary increase FY 2028	14.75%	12.25%
Salary increase FY 2029 onward	14.75%	12.25%
Next salary is increased at	1-Jul-23	1-Jul-22
Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
Expected average remaining working	Setback 1 year	Setback 1 year
Withdrawal rates	Age based	Age based
Retirement Assumption	Age 60	Age 60

Assumption regarding future mortality has been based on State Life Corporation (SLIC 2001-2005), ultimate mortality rate with 1 year setback as per recommendation of Pakistan Society of Actuaries (PSOA).

### 13.6 Sensitivity analysis

For a change of 100 basis points, present value of defined benefit obligation at reporting date would have been as follows:

Discount rate	9,724,418	7,402,571
Salary increase rate	11,911,819	9,161,152

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The Institute's expected charge for the defined benefit liability - gratuity for the next year is Rs. 2,974,066/-.

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied as for calculating the liability of staff retirement gratuity.





### 13.7 Risk associated with defined benefit plan

#### Final Salary Risk- (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

#### Demographic risks

**Mortality Risk-** The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

**Withdrawal Risk-** The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

#### Investment Risk

The risk of the investment underperforming and being not sufficient to meet the liabilities.

### 13.8 Expected benefit payments for the next 10 years and beyond;

#### Years

	RUPEES
FY 2024	516,455
FY 2025	2,351,250
FY 2026	586,632
FY 2027	635,816
FY 2028	685,228
FY 2029	751,956
FY 2030	838,751
FY 2031	952,107
FY 2032	1,059,886
FY 2033	3,971,403
FY 2034 onwards	345,616,881
The average duration of the benefit obligation is:	11 years

	Note	2023 RUPEES	2022 RUPEES
<b>14 ACCRUED AND OTHER LAIBILITIES</b>			
Accrued expenses		4,120,311	344,610
Others		870,584	694,263
		<b>4,990,895</b>	<b>1,038,873</b>

### 15 CONTINGENCIES AND COMMITMENTS

15.1 There were no contingencies or commitments as at June 30, 2023 (2022: nil).

### 16 STUDENTS' REGISTRATION AND ANNUAL SUBSCRIPTION FEE

Subscription fee	3,624,950	3,753,720
Registration fee	1,660,500	2,140,250
Restoration fee	591,750	581,125
Identity card charges	310,400	298,200
Career plan charges	339,600	521,700
	<b>6,527,200</b>	<b>7,294,995</b>



	Note	2023 RUPEES	2022 RUPEES
<b>17 EXAMINATION AND EXEMPTION FEE</b>			
Examination fee		16,644,175	14,260,875
Exemption fee		6,073,875	5,383,230
Computer based examination fee		2,174,400	2,189,100
Re-checking / duplicate certificate charges / Re- registration Fee		1,281,100	368,375
		<u>26,173,550</u>	<u>22,201,580</u>
<b>18 MEMBERS' REGISTRATION AND ANNUAL SUBSCRIPTION FEE</b>			
Subscription fee		4,033,239	3,560,302
Registration fee		1,446,760	977,000
Restoration fee		934,800	860,700
		<u>6,414,799</u>	<u>5,398,002</u>
<b>19 COACHING FEE</b>			
Karachi		7,432,320	7,003,884
Lahore		10,670,864	7,375,881
Faisalabad		913,000	2,848,001
Islamabad		10,016,725	6,963,174
		<u>29,032,909</u>	<u>24,190,940</u>
<b>20 OTHER INCOME</b>			
<b>From financial assets</b>			
Interest income		5,446,828	776,397
CCPT, coaching and other fee		266,250	426,750
		<u>5,713,078</u>	<u>1,203,147</u>
<b>From non - financial assets</b>			
Rental income		-	612,611
CPD seminar income		-	292,100
Gain on disposal of non-current asset held for sale		-	15,471,681
Gain on disposal of investment property		25,585,918	-
Others		1,118,993	507,204
		<u>26,704,911</u>	<u>16,883,596</u>
		<u>32,417,989</u>	<u>18,086,743</u>
<b>21 EXAMINATION DEPARTMENT EXPENSES</b>			
Staff salaries' and benefits		10,138,866	7,394,284
Examination		5,164,987	4,239,554
Staff retirement gratuity	13.3	771,750	579,594
Computer based examination		1,203,710	906,633
Printing and stationery		564,950	437,618
Postage		139,281	151,555
Utilities		219,214	277,768
Meetings		707,021	296,477
Entertainment		82,147	28,334
Repairs and maintenance		117,628	59,842
Amortization	6.1	49,045	4,820
Insurance		211,105	159,383
Internet charges		116,696	60,062
Others		4,024	-
		<u>19,490,424</u>	<u>14,595,924</u>



	Note	2023 RUPEES	2022 RUPEES
<b>22 MEMBERS' DEPARTMENT EXPENSES</b>			
Staff salaries' and benefits		<b>2,042,903</b>	1,613,857
Staff retirement gratuity	13.3	<b>118,194</b>	93,155
Printing and stationery		<b>344,350</b>	191,224
Postage		<b>247,059</b>	280,047
Utilities		<b>211,614</b>	282,439
Meetings		<b>9,490</b>	4,700
Insurance		<b>211,104</b>	159,383
Repairs and maintenance		<b>25,180</b>	4,000
Conveyance		<b>8,459</b>	-
Internet charges		<b>115,876</b>	60,000
Supplies		<b>1,740</b>	-
		<b><u>3,335,969</u></b>	<b><u>2,688,805</u></b>
<b>23 COACHING DEPARTMENT EXPENSES</b>			
Staff salaries' and benefits		<b>14,440,583</b>	11,087,423
Staff retirement gratuity	13.3	<b>1,234,991</b>	939,779
Faculty costs		<b>8,545,299</b>	5,604,115
Rent		<b>3,704,094</b>	2,915,724
Advertisement		<b>969,048</b>	391,692
Utilities		<b>1,494,428</b>	1,008,587
Depreciation	4.2	<b>455,578</b>	496,853
Repairs and maintenance		<b>233,776</b>	232,585
Printing and stationery		<b>689,057</b>	509,323
Postage		<b>276,463</b>	309,443
Entertainment		<b>175,888</b>	70,512
Meetings		<b>34,545</b>	27,886
Supplies		<b>67,267</b>	27,593
Conveyance		<b>170,251</b>	7,670
Seminar and exhibition		-	19,650
Insurance		<b>211,107</b>	159,383
Internet charges		<b>393,848</b>	-
Convocation charges		<b>1,124,306</b>	-
Expo expenses		<b>20,145</b>	-
Others		<b>43,670</b>	12,550
		<b><u>34,284,344</u></b>	<b><u>23,820,768</u></b>



	Note	2023 RUPEES	2022 RUPEES
<b>24 ADMINISTRATIVE EXPENSES</b>			
Staff salaries' and benefits		<b>7,477,609</b>	4,770,103
Staff retirement gratuity	13.3	<b>110,521</b>	44,345
Wages		<b>116,000</b>	219,500
Rent		<b>4,350,786</b>	4,750,007
Fees and subscription		<b>1,364,612</b>	1,023,200
Printing and stationery		<b>514,014</b>	505,986
Depreciation	24.1	<b>444,449</b>	514,789
Utilities		<b>554,197</b>	739,681
Repairs and maintenance		<b>471,423</b>	518,448
Legal and professional		<b>321,300</b>	1,382,285
Entertainment		<b>382,496</b>	262,257
Meetings		<b>84,899</b>	121,988
Postage		<b>181,338</b>	207,091
Auditor's remuneration	24.2	<b>125,000</b>	90,320
Internet charges		<b>162,799</b>	460,703
Vehicle insurance		<b>28,891</b>	38,330
Travelling and Conveyance		<b>338,299</b>	286,421
Supplies		<b>147,120</b>	320,772
Advertisement		<b>91,661</b>	227,886
Insurance		<b>194,126</b>	126,218
Bank charges		<b>52,490</b>	157,709
Property tax		<b>242,240</b>	-
Others		<b>4,622</b>	184,617
		<b>17,760,892</b>	<b>16,952,656</b>
<b>24.1 Depreciation</b>			
Property and equipment	4.2	<b>433,496</b>	468,672
Investment property	5.4	<b>10,953</b>	46,117
		<b>444,449</b>	<b>514,789</b>
<b>24.2 Auditors' remuneration</b>			
Audit fee		<b>100,000</b>	85,320
Out of pocket expenses		-	5,000
Half yearly review fee		<b>25,000</b>	-
		<b>125,000</b>	<b>90,320</b>
<b>25 REMUNERATION OF GOVERNORS, SECRETARY AND EXECUTIVES</b>			
Remuneration		<b>15,144,368</b>	9,884,996
Allowances		<b>517,916</b>	453,137
Bonus		<b>2,333,199</b>	1,160,700
		<b>17,995,483</b>	<b>11,498,833</b>
No of persons		<b>8</b>	<b>6</b>
<b>25.1</b>	No remuneration is being paid to Governors. No remuneration is payable to Executives at year end. Also the Executive Director is being provided with company maintained car.		

## 26 FINANCIAL INSTRUMENTS

PARTICULARS	Maturity upto one year	Maturity after one year	TOTAL 2023	TOTAL 2022
<b>Financial assets</b>	-----RUPEES-----			
<b>At amortized cost</b>				
Long term deposits	-	660,000	660,000	660,000
Loans and advances	190,880	-	190,880	67,000
Deposits and other receivables	7,775,208	-	7,775,208	13,380,059
Short term Investments	40,880,000	-	40,880,000	8,000,000
Bank balances	6,452,324	-	6,452,324	7,152,316
<b>Total</b>	<b>55,298,412</b>	<b>660,000</b>	<b>55,958,412</b>	<b>29,259,375</b>
<b>Financial liabilities</b>				
<b>At amortized cost</b>				
Accrued and other liabilities	4,990,895	-	4,990,895	1,038,873
<b>Total</b>	<b>4,990,895</b>	<b>-</b>	<b>4,990,895</b>	<b>1,038,873</b>

## 27 Financial risk management objectives and policies

### 27.1 Financial risk management

The Institute has exposure to the following risks from the use of its financial instruments:

- Credit risk
- Market risk
  - Interest rate risk
  - Foreign exchange rate risk
- Liquidity risk

### 27.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. Credit risk mainly arises from long term deposits and short term investments, advances, other receivables and bank balances. Total financial assets aggregating Rs. 55,958,412/- (June 30, 2022: Rs. 29,259,375/-) as detailed in note-26 are subject to credit risk.

The Institute is exposed to credit risk from its operating activities (primary balances with banks, fee receivables and advances) and from its investing activities, including deposits with banks. The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with reasonably high credit rating.

Concentration of credit risk exists when changes in economic and industry factors similarly affect the group of counter parties whose aggregated credit exposure is significant in relation to the Institute's total credit exposure. The financial assets of the Institute are broadly diversified and transactions are entered into with diverse credit worthy parties thereby mitigating any significant concentration risk. The Institute believes that it is not exposed to major concentration of credit risk.

### 27.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in the market interest rates.

The Institute has investment in TDRs Rs. 40.88 million (2022: Rs. 8 million) carried at fixed rate of interest as disclosed in Note-9 , so Institute is not materially exposed to the interest rate risk.

### 27.4 Foreign exchange risk management

Foreign exchange risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Institute is not materially exposed to foreign currency risk on assets and liabilities.

### 27.5 Liquidity risk

Liquidity risk reflects the Institute's inability in raising funds to meet commitments. The Institute manages liquidity risk by maintaining sufficient balances with banks and adequate Statement of Financial Position liquidity & solvency ratios. As at June 30, 2023 there is no maturity mismatch between financial assets and liabilities that exposes the Institute to liquidity risk.



## **28 TRANSACTIONS WITH RELATED PARTIES**

Basis of relationship are disclosed in note 3.18. Details of transaction with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of related party	Basis of relationship	Nature of transaction	2023 'RUPEES	2022 'RUPEES
SKANS School of Accountancy	Common key management personnel	Share of fees paid to CBE centers	738,000	769,100
Auditor General of Pakistan (AGP)	Sponsoring body	Services rendered	1,934,250	2,200,912
Institute of Cost and Management Accountants of Pakistan	Sponsoring body	Services received	781,234	944,370
Executive Director, Chief Financial Officer and others	Key management personnel	Management compensation	17,995,483	11,274,501

## **29 NUMBER OF EMPLOYEES**

The number of employees as at June 30, 2023 were 33 (2022: 33) and average number of employees during the year were 30.

## **30 AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on 3rd October, 2023 by the board of governors of the Institute.

## **31 GENERAL**

**31.1** Figures in these financial statements have been rounded off to the nearest rupee.

**31.2** Corresponding figures have been re-arranged, re-classified, where necessary for better presentation.

**MEMBER, BOARD OF GOVERNORS**

**PRESIDENT**

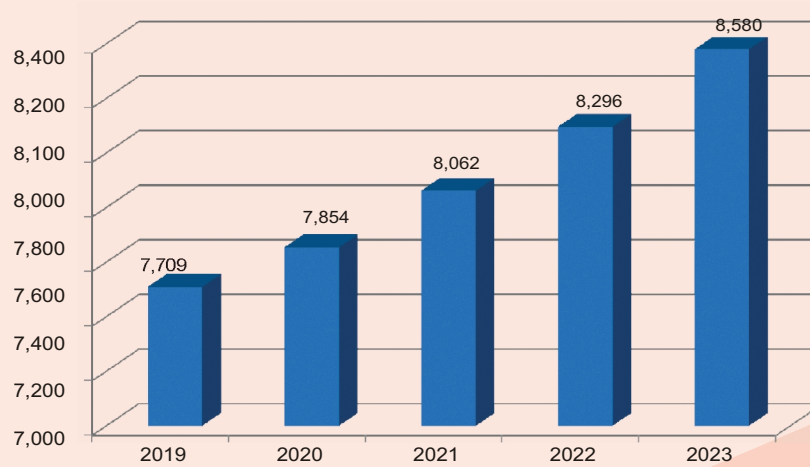


## FINANCIAL HIGHLIGHTS

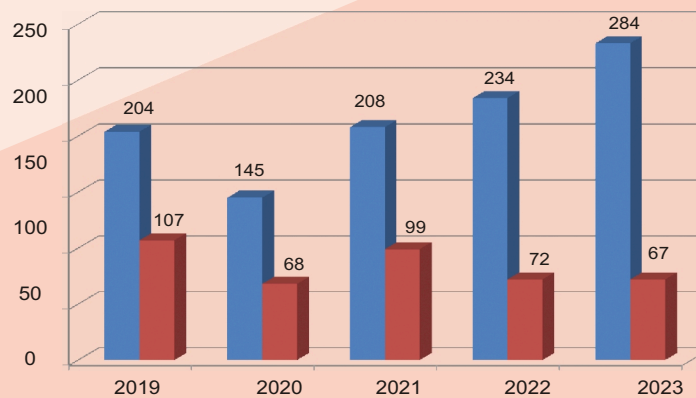
	2019	2020	2021	2022	2023
<b>Operating Results</b>					
Revenue (in rupees)	53,610,469	54,882,988	51,129,286	77,172,260	100,566,477
Surplus/(Deficit) (in rupees)	(3,202,512)	(4,259,818)	(176,498)	19,114,108	25,694,818
<b>Financial Position</b>					
Net Assets (in rupees)	28,230,350	23,025,451	23,351,941	42,013,998	67,157,356
Members (in numbers)	7,709	7,854	8,062	8,296	8,580
Students (in numbers)	33,755	34,540	34,972	35,942	36,621



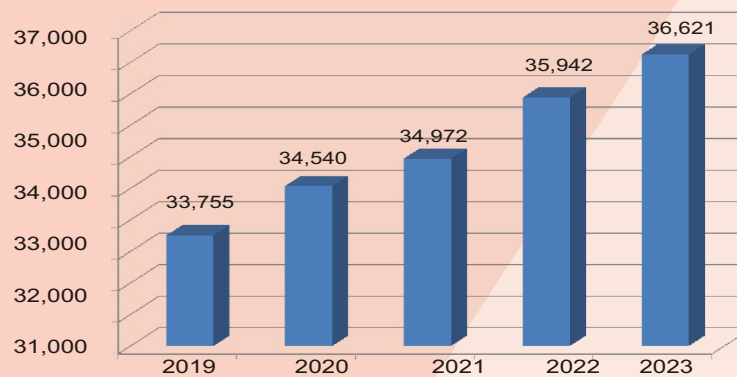
## Total Members In Numbers



## New Members (APFA & FPFA) In Numbers

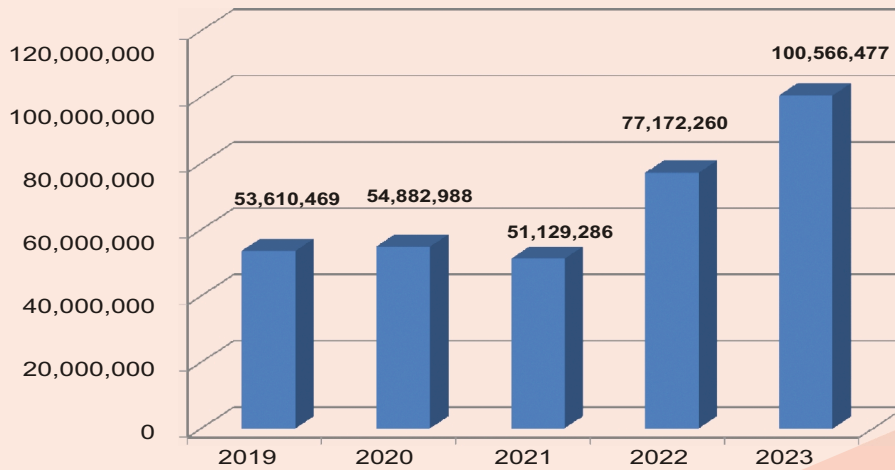


## Total Students In Numbers

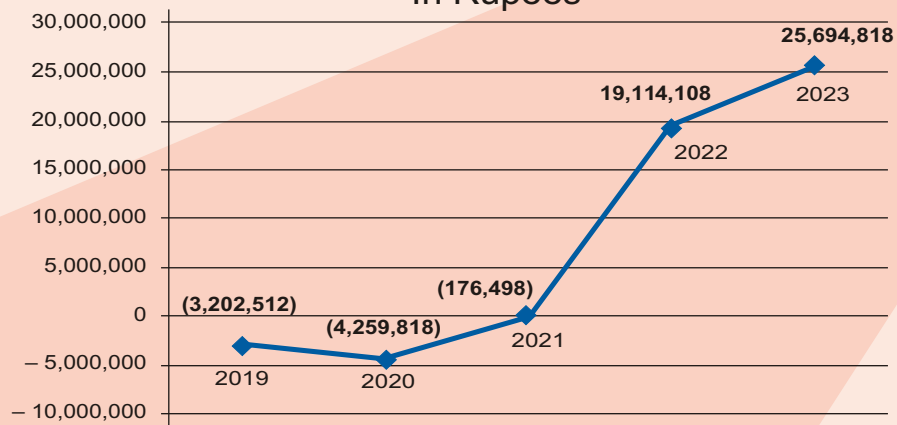




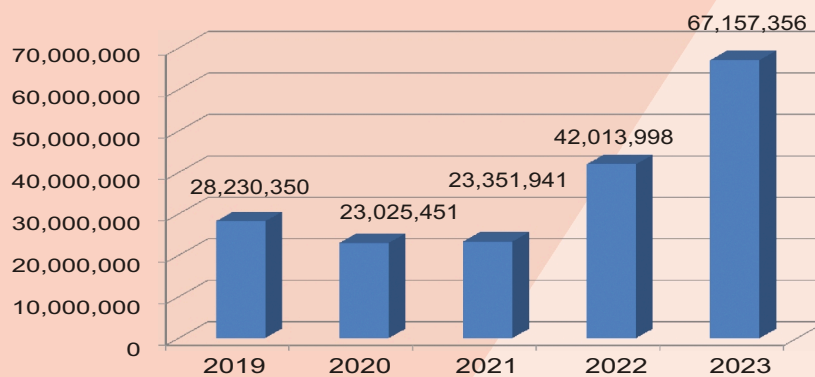
## Total Revenue In Rupees



## Surplus/(Deficit) In Rupees

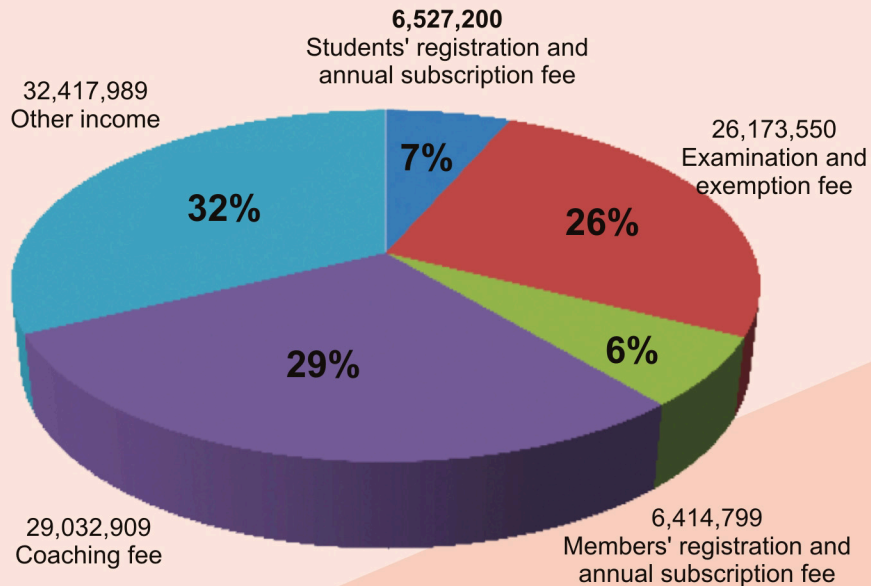


## Net Assets In Rupees

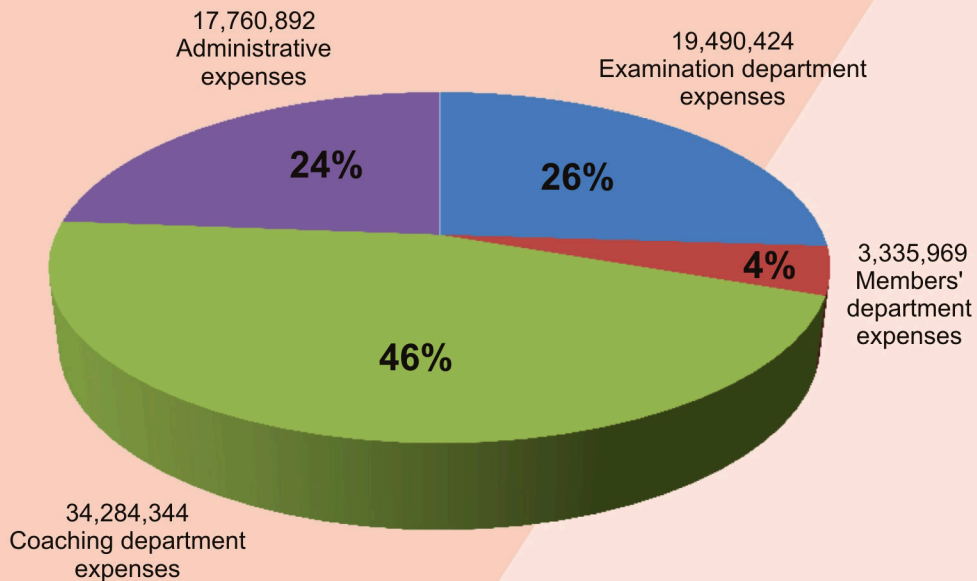




## Revenue Analysis 2023



## Expenditure Analysis 2023





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

### Board of Governors

Meetings Held 05

Physical Meetings 03

Video Link Meetings 02

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1.	Mr. Muhammad Ali Latif	President	4	10.	Mr. Shahab Qadir	Member	1
2.	Mr. Usman Ahsan	Vice President	5	11.	Mr. Nazar Muhammad Ranjha*****	Member	1
3.	Mr. Muhammad Kamran Khan*	Secretary	1	12.	Ms. Namana Gulrukh Fareed	Member	1
4.	Mr. Muhammad Sharif	Treasurer	5	13.	Mr. Muhammad Yasin	Ex-President	4
5.	Mr. Shaham Ahmed**	Joint Secretary	0	14.	Mr. Ather Saleem Ch.	Member	2
6.	Mr. Zia Ul Mustafa Awan***	Member	1	15.	Mr. Aamir Ijaz Khan	Member	4
7.	Mr. Awais Yasin****	Member	1	16.	Mr. Ahmer Ellahi	Member	1
8.	Ms. Khursheed Kotwal	Member	4	17.	Mr. Kamran Ali Hashmi	Member	1
9.	Mr. Sajid Hussain	Member	5	18.	Mr. Muhammad Luqman	Member	0

\* AGP Nominated Mr. Muhammad Kamran Khan in place of Mr. Kamran Ali Hashmi

\*\* ICMA Pakistan Nominated Mr. Shaham Ahmed in place of Mr. Ather Saleem Ch.

\*\*\* ICMA Pakistan Nominated Mr. Zia Ul Mustafa in place of Mr. Muhammad Yasin

\*\*\*\* ICMA Pakistan Nominated Mr. Awais Yasin in place of Mr. Aamir Ijaz Khan

\*\*\*\*\* AGP Nominated Mr. Muhammad Luqman in place of Mr. Ahmer Ellahi

\*\*\*\*\* AGP Nominated Mr. Nazar Muhammad Ranjha in place of Mr. Muhammad Luqman

### Executive Committee

Meetings Held 05

Physical Meetings 00

Video Link Meetings 05

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1.	Mr. Mr. Muhammad Ali Latif	Chairman	2	6.	Mr. Zia Ul Mustafa Awan	Member	1
2.	Mr. Usman Ahsan	Member	5	7.	Mr. Muhammad Yasin	Member	3
3.	Mr. Muhammad Kamran Khan	Member	2	8.	Mr. Aamir Ijaz Khan	Member	1
4.	Mr. Muhammad Sharif	Member	4	9.	Mr. Kamran Ali Hashmi	Member	1
5.	Mr. Shaham Ahmed	Member	0				

\* Executive Committee was reconstituted in January 2023.

### Board of Studies

Meetings Held 02

Physical Meetings 00

Video Link Meetings 02

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1.	Mr. Sajid Hussain	Chairman	2	4.	Mr. Usman Ahsan	Member	1
2.	Mr. Zia Ul Mustafa Awan	Member	1	5.	Ms. Namana Gulrukh Fareed	Member	0
3.	Ms. Khursheed Kotwal	Member	1	6.	Mr. Ather Saleem	Member	0

\* Board of Studies was reconstituted in January 2023.

### Examination Committee

Meetings Held 05

Physical Meetings 04

Video Link Meetings 01

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1.	Mr. Usman Ahsan	Chairman	1	6.	Mr. Muhammad Kamran Khan	Member	0
2.	Mr. Muhammad Sharif	Member	4	7.	Mr. Shaham Ahmad	Member	0
3.	Mr. Sajid Hussain	Member	4	8.	Mr. Shahab Qadir	Member	0
4.	Mr. Aamir Ijaz Khan	Member	4	9.	Mr. Muhammad Yasin	Ex-Chairman	1
5.	Mr. Kamran Ali Hashmi	Member	1				

\* Examination Committee was reconstituted in January 2023.



## Investigation Committee

Meetings Held 01

Physical Meetings 00

Video Link Meetings 01

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1	Mr. Kamran Ali Hashmi	Chairman	1	3	Mr. Aamir Ijaz Khan	Member	1
2	Mr. Muhammad Sharif	Member	0	4	Mr. Muhammad Ali Latif	Member	0

\* Investigation Committee was reconstituted in January 2022.

## CPD & Publication Committee

Meetings Held 02

Physical Meetings 00

Video Link Meetings 02

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1.	Mr. Usman Ahsan	Chairman	2	5.	Mr. Awais Yasin	Member	0
2.	Ms. Khurshed Kotwal	Member	1	6.	Mr. Ather Saleem Ch.	Member	2
3.	Mr. Shahab Qadir	Member	0	7.	Mr. Muhammad Sharif	Member	1
4.	Ms. Namana Gulrukh Fareed	Member	1	8.	Mr. Ahmad Suleman Zahid	Coopted Member	2

\* CPD & Publication Committee was reconstituted in January 2023.

## Budget & Investment Committee

Meetings Held 01

Physical Meetings 00

Video Link Meetings 01

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1.	Ms. Khurshed Kotwal	Chairperson	1	3.	Mr. Awais Yasin	Member	1
2.	Mr. Muhammad Sharif	Member	1	4.	Mr. Nazar Muhammad Ranjha	Member	1

\* Budget & Investment Committee was reconstituted in January 2023.

## Audit Committee

Meetings Held 02

Physical Meetings 00

Video Link Meetings 02

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1.	Mr. Usman Ghani	Chairman	2	3.	Mr. Saifullah Sheikh	Member	2
2.	Mr. Saifullah	Member	2	4.	Mr. Azhar Khaliq	Member	2

\* Audit Committee was reconstituted in January 2023.

## Technical Committee

Meetings Held 01

Physical Meetings 00

Video Link Meetings 01

Sr. No	Name	Title	Meeting Attended	Sr. No	Name	Title	Meeting Attended
1.	Mr. Sajid Hussain	Chairman	1	5.	Mr. Zia Ul Mustafa Awan	Member	0
2.	Mr. Usman Ahsan	Member	1	6.	Mr. Aamir Ijaz Khan	Member	0
3.	Mr. Nazar Muhammad Ranjha	Member	0	7.	Ms. Namana Gulrukh Fareed	Member	0
4.	Ms. Khurshed Kotwal	Member	0				

\* Technical Committee was reconstituted in January 2023.



# FORM OF PROXY

I, \_\_\_\_\_ s/o, d/o, w/o \_\_\_\_\_ being member  
of PIPFA having Membership Number FPFA/APFA \_\_\_\_\_ admitted before  
30<sup>th</sup> September, 2023 and having no membership outstanding dues as on 30<sup>th</sup> September, 2023 hereby  
nominate Mr./Mrs. \_\_\_\_\_ s/o, d/o, w/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 30<sup>th</sup> Annual General Meeting of the  
Institute to be held on Saturday, 28<sup>th</sup> October, 2023 at 4.00 pm and at any adjournment thereof.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2023

Rupees 5  
Revenue  
Stamp

Signature \_\_\_\_\_

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

## Witness No.1

Name \_\_\_\_\_

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

Address \_\_\_\_\_

Contact No. \_\_\_\_\_

## Witness No.2

Name \_\_\_\_\_

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

Address \_\_\_\_\_

Contact No. \_\_\_\_\_

**Note:** The proxy instrument must be complete in all respect and in order to be effective should be deposited  
at the Head Office of the Institute at least 48 hours before timing of the holding of the meeting.



## **Pakistan Institute of Public Finance Accountants**

### **KARACHI CORPORATE OFFICE**

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



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