

GOVERNMENT OF GILGIT-BALTISTAN



FINANCIAL STATEMENTS

FINANCIAL YEAR 2021-2022

ACCOUNTANT GENERAL GILGIT-BALTISTAN

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Government of Gilgit-Baltistan
Statement of Comparison of Budgeted and Actual Expenditure by Department
for the Year Ended June 30, 2022

Departments	2021-2022 (Rupees in million)			2020-2021 (Rupees in million)		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Revised	Amounts	Original	Revised	Amounts
GOVERNOR SECRETARIAT	126	153	153	85	130	130
CHIEF MINISTER SECRETARIAT	221	300	300	114	211	211
CHAIRMAN'S INSPECTION TEAM	25	32	32	22	33	32
CHIEF ELECTION COMMISSIONER	96	91	91	41	211	211
CABINET	294	308	308	187	229	228
GILGIT-BALTISTAN LEGISLATIVE ASSEMBLY	248	278	278	200	228	228
SERVICES & GENERAL ADMINISTRATION	277	311	310	163	245	244
HOME & PRISON	7,216	8,115	8,091	5,904	7,384	7,351
PLANNING & DEVELOPMENT DEPARTMENT	338	605	584	210	671	670
AGRICULTURE, LIVESTOCK & FISHERIES	1,301	1,535	1,533	1,082	1,196	1,171
EDUCATION & SOCIAL WELFARE DEPARTMENT	10,138	11,660	11,615	8,372	8,862	8,801
HEALTH & POPULATION WELFARE DEPARTMENT	5,403	6,496	6,452	4,990	5,266	5,248
LOCAL GOVERNMENT & RURAL DEVELOPMENT	1,148	1,309	1,309	978	1,069	1,069
FINANCE DEPARTMENT	12,699	2,069	2,067	4,554	1,154	1,154
FOREST, WILDLIFE & ENVIRONMENT	723	735	731	624	658	655
LAW & PROSECUTION	362	346	345	293	300	300
SUPREME APPELLATE COURT	348	376	374	271	356	355
CHIEF COURT GILGIT-BALTISTAN	786	758	756	655	692	690
MINERALS, INDUSTRIES, COMMERCE & LABOUR	111	134	134	83	88	88
TOURISM, SPORTS & CULTURE	184	233	233	157	176	146
REVENUE, Z&U, E&T AND COOPERATIVES	209	231	230	173	187	186
WATER & POWER DEPARTMENT	3,827	6,173	6,170	2,660	3,613	3,605
PUBLIC WORKS DEPARTMENT	4,655	5,938	5,920	3,346	4,403	4,395
IMPLEMENTATION & COORDINATION	19	26	26	13	17	17
FOOD DEPARTMENT	283	325	325	225	270	270
GILGIT-BALTISTAN DISASTER MANAGEMENT	157	562	558	123	260	260
INFORMATION DEPARTMENT	32	186	184	22	96	96
SOCIAL WELFARE, POPULATION & WOMEN DEPARTMENT	350	362	360	313	323	315
ANTI-CORRUPTION DEPARTMENT	29	23	23	5	15	15
BOARD OF REVENUE GILGIT-BALTISTAN	55	31	31	18	21	20
INFORMATION TECHNOLOGY	20	122	122	-	-	-
WATER MANAGEMENT & IRRIGATION	20	15	15	-	-	-
STATE TRADING	10,000	12,423	12,423	7,800	8,501	8,501
DEVELOPMENT	44,229	21,699	19,842	25,000	17,355	17,353
Total Payments	105,929	83,960	81,924	68,683	64,222	64,017

The annexed notes 1 to 29 form an integral part of these Financial Statements.

Accountant General (Gilgit Baltistan)

Government of Gilgit-Baltistan

Notes to the Financial Statements

for the Year Ended June 30, 2022

1. REPORTING ENTITY

The Government of Gilgit-Baltistan conducts its operations under the Government of Gilgit Baltistan Order, 2018. The Order was made in pursuant to Article 139 of the Constitution of the Islamic Republic of Pakistan, 1973 which envisages the Government to be comprising of departments and attached departments of GB. The Order provides for a Consolidated Fund and Public Account of the GB for which Annual Budget Statement is authorized by the Provincial Assembly in the form of budgetary grants. These financial statements focus on reporting the budgetary activity of the government for the financial year.

The Government of Gilgit-Baltistan Order 2018 confers the powers of defining the form, principles and methods of accounts of GB to the Auditor General of GB and describes Provincial Government as an accounting and reporting entity comprising of:

- a) Centralized Accounting Entities; for which the Accountant General Gilgit-Baltistan has the primary responsibility of accounting and reporting.
- b) Self Accounting Entities; for which the Principal Accounting Officer has the primary responsibility of accounting and reporting. The Self Accounting Entity are Works and Forest Departments.
- c) Exempt Entities; special purpose authorities/organizations and all the government owned corporations/companies which are required to prepare their financial statements under their specific statute or Companies Ordinance, 1984 are classified as exempt entities. Financial statements of these entities are not consolidated in the financial statements of the Council. New investments by the Council in such entities are capitalized and any grants to the entities are classified as an expense of the Council, if any, in the financial year to which they pertain. Return from these entities in the form of dividends or interest is classified as non-tax-revenue.
 - 1 Gilgit
 - 2 Skardu
 - 3 Ghizer
 - 4 Ghanche
 - 5 Diamer
 - 6 Astore
 - 7 Hunza
 - 8 Nagger
 - 9 Kharmang
 - 10 Shigar

These financial statements include all centralized and self accounting entities and districts.

2. BASIS OF CONSOLIDATION

The financial statements have been prepared by consolidating the accounts of all centralized and self accounting entities and ten (10) districts. The assets, liabilities, receipts and expenditure are added together line by line using the same functional/object classification.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared with the New Accounting Model (NAM). In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan and the implementation of NAM is an ongoing process. Commitment, asset and liability accounting practices have not yet been implemented and memorandum register for assets and commitments do not exist and accounting for liabilities is not done in accordance with NAM.

Government of Gilgit-Baltistan
Notes to the Financial Statements
for the Year Ended June 30, 2022

4. ACCOUNTING CONVENTION AND BASIS OF CONSOLIDATION

These financial statements have been prepared under the cash basis of accounting which recognizes transactions and events only when cash is received or paid by the entity. Assets and liabilities in the disclosed notes are on a historical cost basis.

These financial statements have been prepared as per the requirements of NAM that supports international best practices. The Government is moving towards full implementation of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash receipts and payments, statement of comparison of budget and actual amounts by function, statement of comparison of budget and actual expenditure by department and notes forming parts thereof have been prepared on the format of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash flows as required by IPSAS 2 - Cash Flow Statements has also been presented, as encouraged by Cash

The Financial Statements for the financial year 2021-2022 have been prepared and presented in order to make a fair presentation of all the relevant financial information without making any change in the fundamentals applied and all policies have been applied on a basis consistent with the previous year.

5. REPORTING AND BUDGET PERIOD

The reporting and budget period of these consolidated financial statements is the financial year 2021-2022. (from 1 July, 2021 to 30 June 2022)

6. REPORTING CURRENCY

The reporting currency of these consolidated financial statements is Pak Rupees.

7. SIGNIFICANT ACCOUNTING POLICIES

7.1 Revenue recognition

Revenue is recognized on the date of receipt of money by the bank or clearance of cheque. Revenue is recognized on a gross basis and any related costs are recorded separately. Receipts representing recovery of any previous overpayment are adjusted against relevant expenditure, if it occurs in the same financial year.

7.2 Recognition of expenditure

Expenditure is recognized on the date when payment is made or cheque is issued. Financial year to which the payments pertain is determined by the date on which a cheque or payment advice is issued. Policies for recognition of expenditure are as follows:

a) Payments made through cheque

Expenditure is recognized on the date the cheque is issued.

b) Inter-government transfers

Expenditure is recognized on the date the transfer is made by the transferor.

c) Payments directly in bank accounts

Expenditure is recognized on the date, payment advice is issued to the bank.

**Government of Gilgit-Baltistan
Notes to the Financial Statements
for the Year Ended June 30, 2022**

d) Direct payments by State Bank of Pakistan (SBP)

Expenditure is recognized on the date when State Bank of Pakistan advises repayment of loans and other direct payments to the relevant accounting office.

e) Imprest payments

Expenditure is recognized when the required claim vouchers are submitted and imprest account is reimbursed.

7.3 Foreign currency

Transactions in foreign currencies are recorded in the books at the rates of exchange prevailing on the date of transaction. Exchange differences arising on settlement of these transactions are recognized in the Statement of Receipts and Payments, but are not disclosed separately .

7.4 Employees benefits

The government has following plans for its employees:

a) General Provident Fund

An employee compulsorily subscribe to the General Provident Fund from the date of appointment and monthly subscription is by way of deduction from monthly payroll at a uniform rate, as advised by the Government for a financial year as laid down in the Provident Funds Act (XIX of 1925) and General Provident Fund Rules. The Government pays interest on provident fund balance and is recorded as expenditure in the financial year.

b) Pension

This is entitlement of government employees to a stream of payments after they retire from service. No liability for pension is recognized in the financial statements and pension payments made during the year are recorded as expenditure.

c) Encashment of leave

This represents liability arising from entitlements to the various forms of leave earned by government employees. No provision is made and the expenditure is recognized on the basis of payments made during the year.

7.5 Investments

All investments acquired by the Provincial Government are initially measured at cost being the fair value of consideration given plus transaction costs that are directly attributable to their acquisition.

Subsequent to initial recognition, investments are carried at historical cost. Any dividends received against investments are recognized when received in the provincial consolidated fund.

7.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash with National Bank of Pakistan.

7.7 Liability

Liabilities are future sacrifices of economic benefits that the government is presently obliged to make as a result of the past transaction. All liabilities are recorded at historical cash value.

Government of Gilgit-Baltistan Notes to the Financial Statements for the Year Ended June 30, 2022

7.8 Public Debt

Public Debt comprises cash inflows from banks, similar lending agencies, commercial institutions and amounts owing in respect of non-cash assistance provided by third parties and foreign borrowings. All debts raised are classified as either floating or permanent debts depending on the nature of the transaction.

7.9 Assets

Assets are future economic benefits controlled by the government as a result of past transactions or other past events. Assets are recorded at cost and currently no depreciation is charged.

7.10 Loan and advances

Loans and advances includes loan and advances due from autonomous bodies, financial and non-financial institutions, to government servants for house building and purchase of conveyances and other loans. Loans to government servants are interest bearing and interest is calculated in accordance with the General Financial Rules.

7.11 Payments by third parties

The Government also benefits from goods and services purchased on its behalf as a result of cash payments made by third parties during the period by way of loans and contributions, in the shape of grants and aid. The payments made by the third parties do not constitute cash receipts or payments controlled by the Government as defined in the Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting but do benefit the Government, as the Government does not receive cash (including cash equivalents) directly from, or gain control of the bank accounts or similar facility established for its benefit by, the third parties. Payments by third parties, if any, are disclosed in the payments by third parties column on the face of statement of cash receipts and payments and notes to the financial statements.

Government of Gilgit-Baltistan
Notes to the Financial Statements
for the Year Ended June 30, 2022

Notes	2021-2022 (Rupees in million)	2020-2021 (Rupees in million)
8 <u>TAXATION - PROVINCIAL GOVERNMENT'S OWN COLLECTION</u>		
<u>Direct Taxes</u>		
Land Revenue	0.04	0.05
Property Tax	19.34	8.89
Taxes on Income	0.79	1.42
	20.17	10.36
<u>Indirect Taxes</u>		
Receipts Under Motor Vehicles Act	197.63	214.91
Stamp Duties	136.76	88.88
Others	0.01	0.01
	334.39	303.80
Total Tax Revenue	354.57	314.16
9 <u>GENERAL ADMINISTRATION RECEIPTS</u>		
Organs of State (Registrations, Land Revenue and others)	6.68	15.27
Fiscal Administration (Pension Contribution)	3.13	6.14
	9.82	21.41
10. <u>ECONOMIC SERVICES RECEIPTS</u>		
Food and Agriculture	23.90	23.04
Fisheries and Animal Husbandry	25.34	20.25
Forest	10.22	52.85
Others (Power)		
Other Economic Service Receipts	20.28	23.45
	79.73	119.59
11 <u>COMMUNITY SERVICE RECEIPTS (WORKS)</u>		
Community Service Receipts	40.92	23.20
	40.92	23.20
12 <u>LAW & ORDERS</u>		
Law & Orders	28.74	24.55
	28.74	24.55
13 <u>SOCIAL SERVICES (EDUCATION & HEALTH)</u>		
Social Services	33.14	28.99
	33.14	28.99
14 <u>PROFIT</u>		
Sale of Electricity	974.37	606.36
	974.37	606.36
15 <u>INTEREST ON LOANS</u>		
Interest	19.60	17.85
	19.60	17.85
16 <u>STATE TRADING SCHEMES</u>		
Sale Proceeds of Wheat	1,954.30	1,997.63
	1,954.30	1,997.63

Government of Gilgit-Baltistan
Notes to the Financial Statements
for the Year Ended June 30, 2022

Notes	2021-2022 (Rupees in million)	2020-2021 (Rupees in million)
17 EXTRAORDINARY RECEIPTS		
Sale of Land and other Government Assets	0.06	0.03
	0.06	0.03
18 DEVELOPMENT SURCHARGE AND ROYALTIES		
Minerals and Royalties	2.76	2.07
	2.76	2.07
19 OTHER RECEIPTS		
Other Receipts (Licenses, Fees, Fines, Recoveries, Registrations, Stores and Misc.)	64.95	83.95
	64.95	83.95
20 GRANTS		
(i) Development		
Annual Development Programme (ADP)	12,898.54	12,870.09
PSDP	12,412.51	8,906.96
Vertical Projects (EPI, Family Planning, MNCH etc.)	178.90	172.96
	25,489.95	21,950.02
(ii) Non- Development		
Regular Receipts	46,895.72	37,008.86
State Trading Receipts	8,760.00	8,370.00
	55,655.72	45,378.86
(iii). Third Party Receipts		
Development Grant	9.44	-
	9.44	-
Total Grants	81,145.67	67,328.87
Total Non Tax Revenue	84,354.04	70,254.50
21 RECOVERY OF LOANS AND ADVANCES		
House Building	316.73	268.45
Motor Car	27.25	24.87
Motor Cycle	27.58	26.19
Capital Receipts	371.55	319.51
Grand Total	85,080.16	70,888.17
22 SALARIES AND EMPLOYEES RETIREMENT BENEFITS		
Pay of Officers	3,046.28	2,873.03
Pay of Other Staff	10,786.93	10,342.72
Regular Allowances	19,601.52	13,259.47
Other Allowances	1,207.10	914.99
Employees Retirement Benefits	353.23	396.25
	34,995.06	27,786.45
23 OPERATING EXPENSES		
Operating Expenses	7,824.95	22,587.45
	7,824.95	22,587.45
24 TRANSFERS, GRANTS, SUBSIDIES AND WRITE-OFF LOANS		
Grants, Subsidies and Write-off Loans	2,578.88	1,988.01
Transfers	137.63	113.82
	2,716.51	2,101.82

Government of Gilgit-Baltistan
Notes to the Financial Statements
for the Year Ended June 30, 2022

Notes	2021-2022 (Rupees in million)	2020-2021 (Rupees in million)
25 OTHER EXPENSES		
Physical Assets		
Hardware	0.29	0.10
Software	0.30	-
Others Assets	12,422.66	8,500.54
Medical Stores	0.15	0.25
News Print	0.20	0.30
Medical Laboratory Equipments	0.26	0.16
Generic Consumables	93.23	55.63
General Utility Chemical	0.05	0.67
Purchase of Transport	1,310.82	85.84
Purchase of Plant and Machinery	1,727.98	68.11
Purchase of Furniture and Fixture	273.59	38.11
Purchase of Arms and Ammunitions	17.21	1.31
Purchase of livestock	7.07	-
Purchase of other Assets	506.44	-
Land & Buildings	2,052.76	-
Specific Consumables	0.01	-
Specific Utility Chemical	0.01	-
I.T. Equipment	0.80	-
Total Physical Assets	18,413.83	8,751.02
Civil Works	12,104.65	49.52
Repairs and Maintenance	5,580.84	2,741.01
Project Pre-Investment Analysis	180.56	-
Investments	107.18	-
	36,387.06	11,541.55
Third Party Payments		
Operating Expenses	9.44	-
	9.44	-
	81,923.58	64,017.27
26 NET RECEIPTS/ (PAYMENTS) OF PUBLIC ACCOUNT		
Receipts		
Trust and Other Public Accounts	22,766.99	19,081.64
Special Deposits	17.26	32.64
State Provident Fund	1,928.11	1,487.34
	24,712.36	20,601.63
Payments		
Trust and Other Public Accounts	22,864.36	18,885.18
Special Deposits	22.53	23.73
State Provident Fund	1,913.67	1,483.53
	24,800.57	20,392.44
Net Public Account Payments/Receipts	(88.21)	209.19

The public account consist of those moneys received by the Government for which it has a fiduciary duty but not at liberty to appropriate for the general services of Government, unless provided under an Act of Provincial Assembly or Rules made by the Governor. The balances in the public account are carried forward at year end to be used for the specific purpose for which they are established.

27 AUTHORIZATION FOR ISSUE

Under section 8 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Act, 2012, read with Article 98(6) of the Government of Gilgit-Baltistan Order, 2018 the Auditor-General submits the certified Financial Statements of the Government of Gilgit-Baltistan together with the audit reports on these Financial Statements to the Governor of Gilgit-Baltistan who shall cause them to be laid before the Provincial Assembly. These consolidated financial statements have been authorized for issue on _____.

28 GENERAL

28.1 Level of Precision

Figures in these Financial Statements have been rounded off to the nearest million rupees, unless otherwise

Accountant General (Gilgit-Baltistan)