Financial Reporting Manual
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1.1 Purpose of the Manual

1.1.1.1 The purpose of the Manual is to set out the financial reporting structure for the Federal and Provincial Government.

1.1.1.2 This Manual contains the outline design of financial reports and detailed reporting framework.
1.2 Structure of the Manual

1.2.1.1 The Manual is structured according to the major classes of reporting by the Government.

1.2.1.2 The organisation of the chapters and sections within the Manual is shown in the Table of Contents at the front of this Manual.

1.2.1.3 The first chapter provides an introduction to the financial reporting framework.

1.2.1.4 Chapters 2 and 3 cover the design, structure and framework for accounting reports necessary to convey accounting information from the detailed transaction level to the financial statements, including the presentation and design of the Financial Statements.

1.2.1.5 Chapter 4 covers those reports that serve essentially as control tools and are referred to in this Manual as financial control reports.
1.3 Reader Guidance

1.3.1.1 There are five levels of headings in this Manual:

- level 1 - chapter
- level 2 - section
- level 3 - sub section
- level 4 - direction
- level 5 - bullet point.

1.3.1.2 The organisation of the sections and sub sections within each chapter is shown in the Table of Contents at the front of each chapter.

1.3.1.3 The layout of each page in this Manual is standardised. The title of the Manual and the name of the chapter are displayed in the top left and right corners of each page respectively. The footer for each page contains the issue date, page number and file reference.

1.3.1.4 A list of abbreviations of terms commonly used in this Manual is included for reference purposes.
1.4 Authority, Applicability, Distribution and Maintenance of the Manual

1.4.1 Authority

1.4.1.1 This Manual is issued under the authority of the Auditor General of Pakistan, in accordance with Pakistan (Audit and Accounts) order 1973.

1.4.2 Effective date

1.4.2.1 The effective date for application of this Manual is the date of issue of the Manual by the Auditor General.

1.4.3 Compliance

1.4.3.1 Compliance with this Manual is mandatory for entities assigned with reporting responsibilities in this Manual.

1.4.4 Distribution, maintenance and update of this Manual

1.4.4.1 The Auditor General of Pakistan is responsible for:

- initial issue of the Manual to all responsible entities
- maintenance and update of this Manual, including distribution of any updates or amendments to all responsible entities.

1.4.5 Overview

1.4.5.1 Refer section 2.2. of the Accounting Policies and Procedures Manual for an overview of the organisational structure and reporting lines.

1.4.5.2 See 1.4.6 for a graphic display of the information flow process and 1.4.6.a for a summary of all reports discussed in the FRM.
1.4.6 "Information flow process"

- **Financial Statements** - AGs / AGPR
  Include Appropriation Accounts as an integral part of the same Financial Statements

- **Consolidated Quarterly Accounts (CQA)** - AGs / AGPR

- **Consolidated Monthly Accounts (CMA)** - AGs / AGPR (including its own transaction)

- **Monthly Accounts Pack** - DAOs (to be produced separately for Provincial / Federal Govt.)

- **Monthly Accounts Pack** - SAEs

- **External reports from EAD, Projects and Divisions**

- **General Ledger Division / Department records, EAD database**

- **Produce Consolidated Financial Statements of the Republic**

- **President / Governors**

- **Finance Division / Dept..**

- **Auditor General**

- **Fed. / Prov. Assembly**

- **PAC**
## Summary of Reports

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<thead>
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<td>2.3</td>
<td>Summary Schedule - Consolidated Fund</td>
<td>2.1.6.2 and 2.3</td>
<td>DAO / SAE / AG / AGPR</td>
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<td>Statement of Cash Flows</td>
<td>2.1.6.5 and 2.4</td>
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<td>Grant Expenditure Analysis</td>
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<td>Components as above</td>
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<td>AG/AGPR</td>
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**Issued 13-Feb-99**
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<td>6. Disbursement Confirmation</td>
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<td>4.2</td>
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<td>AG/AGPR</td>
<td>5th of each month</td>
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</table>
1.5 **Abbreviations used in this document:**

- AGP  Auditor General of Pakistan
- AGPR Accountant General Pakistan Revenue
- AG  Accountants General - Provinces
- APPM  Accounting Policies and Procedures Manual
- CBR  Central Board of Revenue
- CG  Comptroller General
- FCF/CF  Federal Consolidated Fund / Consolidated Fund
- GAAP  Generally Accepted Accounting Principles
- GOE  Government Owned Entities
- CMA  Consolidated Monthly Accounts
- CQA  Consolidated Quarterly Accounts
- DAO  District Accounts Office / Officer
- DDO  Drawing and Disbursing Officer
- EAD  Economic Affairs Division
- MAP  Manual of Accounting Principles
- MOF  Ministry of Finance
- PAO  Principal Accounting Officer
- PAD  Pakistan Audit Department
- PSDP  Public Service Development Program
- SE  Self Accounting Entities
• SBP State Bank of Pakistan

2 Accounting Reports
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2.18
2.1 Monthly Accounts Pack

2.1.1 Responsibility

2.1.1.1 All DAO’s, SE’s and the AG’s/AGPR (for their own transaction) will be responsible for producing the Monthly Accounts Pack.

2.1.2 Information source

2.1.2.1 All information for the monthly accounts would be available from the General Ledger and other primary sources, which contain accounting data and transaction level details.

2.1.3 Key user and distribution

2.1.3.1 The key users of the monthly accounts are the Provincial AG’s and the AGPR.

2.1.4 Action of key users

2.1.4.1 Produce Consolidated Monthly and Consolidated Quarterly Accounts.

2.1.4.2 Prepare Cash Flow Statement on a consolidated Federal / Provincial basis and reconcile with the State Bank of Pakistan’s reported balances for the Federal / Provincial Government.

2.1.4.3 Obtain sign off on the Division / Department Statement by each concerned DDO. The sign off should be obtained in each case on or before the 7th of each month (refer section 4.3).
2.1.4.4 Ensure that any differences identified through the Division / Department Statement sign off process are either resolved with the concerned Division / Department or appropriately disclosed in the Accounts. Where such differences are material, the disclosure shall include the amount and nature of the disagreement and the reporting period to which it relates. Similar disclosure will be required for differences identified in confirmation between the CBR and the DAO/AG/AGPR (see section 4.3 on Control Reports).

2.1.5 Reporting deadline

2.1.5.1 The monthly accounts should be submitted with key users before the 7th of each month, for each preceding month.

2.1.6 Description

2.1.6.1 Components of the Monthly Accounts Pack:

- Revenue and Expenditure Statement - Consolidated Funds (specimen format 1)
- Division / Department Schedule - Consolidated Funds (specimen format 1)
- Public Account Summary Schedule (specimen format 2)
- Statements of Cash Flows (specimen format 3)
- Grant Expenditure Analysis (specimen format 4)
- Programs Report (specimen format 5).

2.1.6.2 The monthly accounts will present “Summary Schedules” for both Consolidated Fund and Public Accounts separately, supported by “Division / Department Schedules” for each Division / Department within the Consolidated Fund section (the “Summary and Division Schedules” in the CF section will be in identical format). Revenues, other receipts, “Expenditure met from revenue and expenditure met from capital” and other disbursements for each Division / Department will be analysed to the Major object level for expenditure and Minor Object for receipts and will be compared to budget. Commitments will be disclosed as a separate line item under total costs by each Division / Department (this process will effectively assign commitments to each Division / Department).
2.1.6.3 The budget figures will be the aggregate budget at the disposal of the Division / Department (i.e. total of all grants available to DDO’s within that District, or Division/Department in the case of SE’s) and will be prorated to reflect the activity profile in the case of revenue expenditure. The figures will not be further analysed to each separate grant (grant wise analysis will be possible through the "Grant - Expenditure Analysis" Statement in the Consolidated Accounts).

2.1.6.4 The Consolidated Fund section will briefly disclose the amount and reasons for any "material" balances not reconciled with revenue collecting and expending Divisions / Departments (see specimen format 1).

2.1.6.5 There will be a separate section for Public Account heads divided into separate sub sections for Deposits and Trust Accounts. The main reporting document with regards to Public Account reporting is the “Public Account Summary Schedule”. For each Major account head there will be a movement analysis in this Schedule. Brief "one line" descriptions will be provided on the basic constitution of each account to provide users with an understanding of the mechanics of Public Account transactions in order to enhance the informational value of these accounts (see specimen format 2)).

2.1.6.6 In the Cash Flow Statement, periodic cash flows are analysed by type of activity. This statement will be consolidated on a Government level in the CMA / CQA. The specimen formats for “Grant Expenditure Analysis” and the “Programs Report” are self explanatory (refer sections 2.6 and 2.7 of this Manual).

2.1.6.7 These statements will be included in appendices :

- Grant Expenditure Analysis (see specimen format 4)
- Programs / Function Report (see specimen format 5).

2.1.7 Authority / Approval

2.1.7.1 The monthly accounts will be approved (signed) by the District Accounts Officer in the case of DAO’s, the Chief Accounts Officer in the case of SE’s and the Deputy / Additional Accountants General for accounts produced by the AG’s / AGPR.
2.2 Consolidated Monthly Accounts (CMA) / Consolidated Quarterly Accounts (CQA)

2.2.1 Responsibility

2.2.1.1 The AG’s / AGPR will be responsible for consolidating the monthly accounts received from the SE’s, DAO’s and those produced internally by the AG’s / AGPR. The consolidated version of the monthly accounts will be the "Consolidated Monthly accounts".

2.2.1.2 For every Quarter, the AG’s / AGPR will produce additional accounts aggregating accounting information by quarters and including additional information as specified in this section. These accounts will be produced from quarterly consolidation of the routine monthly reporting.

2.2.2 Key users and distribution

2.2.2.1 The following will be provided copies of the Consolidated Monthly and Consolidated Quarterly Accounts:

- Auditor General of Pakistan.
- Ministry of Finance, Departments of Finance and spending divisions/departments.

2.2.3 Objectives of CMA / CQA reporting

2.2.3.1 The key objective of these accounts is to provide the Ministry / Departments of Finance with comprehensive information on a routine, timely basis to facilitate financial management and control.

2.2.4 Reporting deadlines

2.2.4.1 The CMA will be submitted with the key users before the 15th of each month and the CQA before the 20th of each quarter.
2.2.5 Description

2.2.5.1 The CMA / CQA are intended to enable Division/Departmental accounts received from each District and SE’s to be consolidated on a province/Federal level (this will be necessary since each District will report only that segment of a Division/Department that operates within that District).

2.2.5.2 In addition to the components contained within the Monthly Accounts (see 2.1.6.1), both the CQA and CMA will additionally include (in Appendices):

- Project Expenditure Statement
- Statement of Fixed Assets
- Revenues Analysis
- Debt Report
- Losses Report.

2.2.6 Project Expenditure Statement

2.2.6.1 For those projects in progress at the reporting date and those completed during the reporting period, the following information will be provided in the statement:

- brief description of the project
- life to date cost at the start of the reporting period
- costs during the period
- year to date costs at the reporting date
- budget for the project (including re-appropriations and supplementary budget) / budget for the reporting period
- all of the above information for the previous year, where applicable.
2.2.6.2 The Project Expenditure Statement will be submitted by Project Management before the 7th of each month. Following computerisation this statement may be prepared by the AG / AGPR for inclusion in the CMA / CQA.

2.2.6.3 The AG / AGPR will prepare an overview of the PSDP indicating therein the cost overrun, time overrun, unapproved projects, unfunded projects and completed projects etc. Refer to 10.4.6.7 of the Accounting Policies and Procedures Manual for details.

2.2.7 Statement of Fixed Assets

2.2.7.1 This statement will provide the following details:

- "owner Division/Department"
- asset categories
- cost at beginning of the reporting period (for each category)
- additions during the reporting period (at cost)
- disposals during the period (at cost)
- cost at end of reporting period (for each category).

2.2.7.2 This statement will be based on information supplied by the Division / Departments on a specified form (from their "Fixed Assets Registers" as set out in chapter 13 of APPM) before the 7th of each month. The form supplied by the Division / Departments shall be signed by the Principal Accounting Officer of each concerned Division / Department.

2.2.8 Revenues Analysis

2.2.8.1 This Analysis will provide information on actual revenue collections by Minor Object heads against forecasts for the period (forecasts may need to be prorated, where meaningful), identifying the collecting Division / Department and on a year to date basis.
2.2.8.2 This information will be generated from AG’s / AGPR’s own accounts as set out in chapter 5 of APPM.

2.2.9 Debt Report

2.2.9.1 This will provide an analysis of the national debt position at the end of each month. The following details will be included in this report:

- opening balances at the start of the reporting period for domestic debt (including floating debt) and foreign debt (at the Rupee and foreign currency values)
- additions during the reporting period
- retirements during the reporting period
- realised foreign exchange gains / losses on retirements
- unrealised foreign exchange gains / losses on translation / retranslation
- other adjustments (to be specified)
- closing balances in each category
- brief description, repayment terms, interest rates and purpose of loan for material items within each category.

2.2.9.2 The required information will be obtained from EAD / MOF on an AG / AGPR specified format (see section 1.3 of the Manual of External Reporting Requirements) and as set out in chapter 11 of APPM, within 7 days after the end of each month. The information supplied by the EAD / MOF shall be signed by an appropriate responsible Officer within EAD / MOF.

2.2.10 Losses Report

2.2.10.1 The Losses Report will identify the relevant Division / Department to which the loss relates, the gross amount of loss, amount of any recoveries there against, net loss (this month and year to date) and comments on nature of loss (e.g. Theft, fire etc.) and status (e.g. final amount of loss determined inquiry closed or legal action or inquiry / investigation being undertaken - final loss to be determined at a later stage) Where the amount of loss cannot be determined accurately, an estimate will be provided. This report will be based on information supplied by Divisions / Departments within 10 days after the end of each month.
2.2.11  Authority / approval

2.2.11.1  The CMA and CQA will be approved by the Accountants General of each Province and the Accountant General Pakistan Revenue.
2.3 Specimen format 1: Summary Schedule (CF) / Division/Department Schedule (CF)

- Revenue and Expenditure Statement - Consolidated Funds (in Monthly Accounts Pack & CMA, CQA)
- Division/Department Schedules - Consolidated Funds (in Monthly Accounts Pack & CMA, CQA)

<table>
<thead>
<tr>
<th>CURRENT YEAR</th>
<th>PRIOR YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>Budget</td>
</tr>
<tr>
<td>This month</td>
<td>Year to date</td>
</tr>
</tbody>
</table>

Tax revenue
- Major object heads
  - e.g. Direct taxes
  - Minor object heads
  - e.g. Taxes on income
  - Total direct taxes
  - Refunds

Total tax revenue (A)

Non Tax receipts
- Major object heads
  - e.g. Income from property
  - Minor object heads
  - e.g. Profits

Total income from property
- Refunds

Total non tax receipts (B)

Total revenues (A+B)

“No Expenditure met from revenue”
- Current
- Development

Total “Expenditure met from revenue” (C)

“No Expenditure met from capital”
- Current
- Development

Total “Expenditure met from capital” (D)

Total expenditure (C+D)

Budget figures will be prorated to reflect the activity

“This Quarter” in the case of CQA
Budget and variance columns will be completed only by SEs in the Monthly Accounts and by AG / AGPR in the CMA / CQA. Budget figures will be prorated on the basis of activity profile for each Division / Department which may be obtained from the MOF at the start of each financial year.

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<table>
<thead>
<tr>
<th>CURRENT YEAR</th>
<th>PRIOR YEAR</th>
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<td>Balance</td>
</tr>
<tr>
<td>This month</td>
<td>Year to date</td>
</tr>
<tr>
<td>Budget</td>
<td>Variance/ %</td>
</tr>
</tbody>
</table>

SURPLUS / DEFICIT (E) = (A+B) - (C+D)

Capital receipts
   Major object heads
      e.g. Public debt
   Minor object heads
      e.g. Domestic debt

Total public debt
Total capital receipts (F)

NET SURPLUS / DEFICIT (E + F)

NOTE ON COMMITMENTS

Total commitments outstanding as at -------- amounted to Rs.-----------.

Rs.----- as reported in these accounts under the --------head is subject to dispute, as discussed below, by the -----------Division/Department. This matter is under review by the Office of the Auditor General and any adjustments that may be necessary will be reflected in subsequent accounts.

Borrowings from the Public Account at the reporting date amounted to : Rs.----------.
### 2.4 Specimen format 2: Public Account Summary Schedule

2.4.1.1 The Public Account Summary Schedule will be produced for every “Special Deposit” and “Trust” Major head of account.

<table>
<thead>
<tr>
<th>Balance (opening)</th>
<th>Major head</th>
<th>Payments</th>
<th>Receipts</th>
<th>Net movement</th>
<th>Balance (closing)</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>xxxxx</td>
<td>e.g. Invest. Dep.</td>
<td>xxxxx</td>
<td>xxxxx</td>
<td>xxxxx</td>
<td>xxxxx</td>
<td>Constitutes Govt. saving schemes.</td>
</tr>
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<td>Xxxx</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Brief comment on constitution of account</td>
</tr>
</tbody>
</table>

Amounts transferred to the Consolidated Funds at the reporting date amounted to Rs.-------------. These amounts are receivables to the Public Accounts and liabilities to the Consolidated Fund.
## 2.5 Specimen format 3: Statements of Cash Flows

2.5.1.1 This statement will be presented in the same format at every level of reporting (i.e. in the MA, CMA, CQA and in the Financial Statements).

<table>
<thead>
<tr>
<th></th>
<th>Current year</th>
<th>Prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Statement of Cash Flows - Consolidated Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cash flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes and other revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue expenditure (other than interest repayments)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash from operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investing and financing cash flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floating debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt repayment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest repayments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Expenditure met from capital” (other than debt repayment)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash from investing and financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from other activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash from other activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase / decrease in cash held</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add : cash at beginning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at end of month / quarter as per AG / AGPR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add / less : reconciling items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at end of month / quarter as per the State Bank of Pakistan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2 Statement of Cash Flows - Public Account

Public Account Deposits

for each major category of deposits:
- cash received during the reporting period
- cash paid during the reporting period
- net cash deposited / withdrawn (A)

Public Account Trust Funds

for each trust account
- cash received during the reporting period
- cash paid during the period
- net increase / decrease in cash (B)

Net increase / decrease in cash (A+B)
add: Balance opening

Balance closing as per AG / AGPR

Add / less : reconciling items

Balance as per the State Bank of Pakistan
2.6 Specimen format 4: Grant Expenditure Analysis

Information needs will drive the level to which grant information may be captured.

<table>
<thead>
<tr>
<th></th>
<th>Current year</th>
<th>Prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grant</td>
<td>Actual expenditure</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>e.g. Employee related expenses</td>
<td>XXXX</td>
<td>XXXX</td>
</tr>
</tbody>
</table>

Note: Statement of losses due to defalcation, fraud and negligence.
2.7 Specimen format 5: Programs Report

<table>
<thead>
<tr>
<th>Program Title</th>
<th>CURRENT Actual expenditure this month</th>
<th>Budget</th>
<th>Variance</th>
<th>PRIOR Actual expenditure this month</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>xxxxxxxxx</td>
<td>xxxxxxxx</td>
<td>xxxxxxxxx</td>
<td>xxxxxxxxx</td>
<td>xxxxxxxx</td>
<td>xxxxxxxx</td>
</tr>
</tbody>
</table>

e.g. Education uplift

“This quarter” in the CQA
3 The Financial Statements of the Federation, Provinces and the Republic
Table of Contents

3.1 introduction .............................................. 3.3
3.2 Summary - Financial Statements ....................... 3.4
3.3 Statement of Assets and Liabilities ..................... 3.7
3.4 Statement of Revenues and Expenditures ................ 3.8
3.5 Statement of Cash Flows ................................... 3.9
3.6 Analysis of Surplus / Deficit ............................. 3.11
3.7 Notes to the Financial Statements ....................... 3.12
3.8 Analysis of Revenues by Divisions/Departments ........... 3.17
3.9 Summary Of Appropriation Accounts By Grants And Appropriations 3.18
3.10 Appropriation Accounts By Economic Functions and Departments / Divisions 3.19
3.11 Appropriation Accounts By Grant .......................... 3.20
3.12 General comments ........................................ 3.21
3.1 Introduction

3.1.1 General

3.1.1.1 This section sets out the structure, presentation and overall framework of the Governments’ Financial Statements.

3.1.1.2 The section is preceded by a Summary, which defines each of the Financial Statements and outlines the key components, responsibilities, deadlines and users of those Financial Statements.

3.1.1.3 Following the Summary is the specimen Financial Statements.

3.1.1.4 The Financial Statement formats are intended to be self explanatory and hence extensive commentaries have not been provided in this Section.

3.1.1.5 Each of the Provincial and Federal Governments will be required to produce their half yearly and annual Financial Statements in the same format and presentation structure.

3.1.1.6 The disclosure requirements with respect to half yearly and annual reporting in the Financial Statements are defined within the specimen formats provided in this section.

3.1.2 Information sources

3.1.2.1 The Financial Statements can be produced on the basis of the Consolidated Quarterly Returns
### 3.2 Summary - Financial Statements

<table>
<thead>
<tr>
<th>Financial Statement Title</th>
<th>Description</th>
<th>Responsibility</th>
<th>Deadline</th>
<th>Key users</th>
</tr>
</thead>
</table>
| The Half Yearly Financial Statements of the Federal / Provincial Government. | Abbreviated half yearly financial statements of the Provincial and Federal Governments. These will include:  
- Statement of Assets and Liabilities (see 3.3)  
- Statement of Revenues and Expenditure (see 3.4)  
- Statement of Cash Flows (see 3.5)  
- Notes to the Financial Statements (see 3.7). | Produced by: AG’s / AGPR. | February 20. | The Departments / Ministry of Finance. |
<table>
<thead>
<tr>
<th>Financial Statement title</th>
<th>Description</th>
<th>Responsibility</th>
<th>Deadline</th>
<th>Key users</th>
</tr>
</thead>
</table>
| Annual Financial Statements (contd.) | These comprise:  
  - Statement of Assets and Liabilities (see 3.3)  
  - Statement of Revenues and Expenditure (see 3.4 and 3.6)  
  - Statement of Cash Flows (see 3.5)  
  - Notes to the Financial Statements (see 3.7)  
  - Summary of Appropriation Accounts by Grants and Appropriations (see 3.9)  
  - Appropriation Accounts by Economic Functions and Department / Division (see 3.10) | | | NA |
<table>
<thead>
<tr>
<th>Description</th>
<th>Responsibility</th>
<th>Deadline</th>
<th>Key users</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Appropriation Accounts by Grant (see 3.11).</td>
<td>Auditor General.</td>
<td>Issued before October 30.</td>
<td>President of Pakistan / Departments / Ministries / Donors / Lenders, other external and general users.</td>
</tr>
<tr>
<td>• Analysis of Revenues by Division/Department (see 3.8)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Consolidated Financial Statements of the Republic. These comprise all of the above statements. Separate disclosures shall be made for each of the entities and for the consolidated entity.
### 3.3 Statement of Assets and Liabilities

<table>
<thead>
<tr>
<th>Note</th>
<th>Fixed Assets</th>
<th>Investment</th>
<th>Current Assets</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cash</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Loans &amp; Advances</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

#### TOTAL ASSETS

<table>
<thead>
<tr>
<th>Long Term Liabilities</th>
<th>Debt</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Government securities</td>
<td>Loans</td>
<td>Deposits and reserves</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Total debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred liabilities</td>
<td></td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td>12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### TOTAL LIABILITIES

<table>
<thead>
<tr>
<th>Commitments</th>
<th>13</th>
</tr>
</thead>
</table>

The figures for commitments will be disclosed in the notes to the Financial Statements on a memorandum basis. No figures will be stated on the face of the “Statement of Assets and Liabilities”.

The separate Federal and Provincial Government columns are applicable only in the Consolidated Financial Statements.
Residual equity 14
### 3.4 Statement of Revenues and Expenditures By Function

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Note</th>
<th>Current year</th>
<th>Prior year</th>
<th>Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Governments</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non taxation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses by economic function</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General public services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defence affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public order and safety affairs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social security and welfare affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing and Community amenities affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation and cultural and religious affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel and energy affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural, forestry, fishing and hunting affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining and mineral resources affairs and services, other than fuels, Manufacturing affairs and services, and construction affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport and Communication affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other economic affairs and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total expenditure**

4

**Surplus / deficit**
Programs should be prioritised on the basis of total allocation. Those programs, which are designated as “significant”, should be reported separately whereas minor programs may be grouped together as “other programs” for the purposes of disclosure in this statement. Total expenditure for Programs should equal total expenditure by economic function.
## 3.5 Statement of Cash Flows

<table>
<thead>
<tr>
<th>Note</th>
<th>Current year</th>
<th>Projected</th>
<th>Variance</th>
<th>Prior years</th>
<th>Variance with Average of prior years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governments</td>
<td></td>
<td></td>
<td>(0 - 1)</td>
<td>(0 - 2)</td>
</tr>
<tr>
<td></td>
<td>Rs.</td>
<td>Total</td>
<td>Total Rs.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Consolidated Funds

Operating cash flows
- Taxes and other revenues
- Revenue expenditure (other than interest repayments)

Net cash from operations

Investing and financing cash flows
- External debt
- Domestic debt
- Floating debt
- Debt repayment
- Interest repayments
- “Expenditure met from capital” (other than debt repayment)

Net cash from investing and financing activities

Cash flows from other activities
- Other receipts
- Other expenditure

Net cash from other activities

Net increase / decrease in cash held

Cash at end of year as per AG / AGPR (or at reporting date)

Add / less : reconciling items

Cash at end of year as per the State Bank of Pakistan (or at reporting date)

---

The columns “0-1”, “0-2”, and “0-3” represent present values of cash flows for “1”, “2” and “3” years prior to the reporting date. Present values may be calculated using applicable rates of indexation.
Statement of Cash Flows - Contd.

2. Public Account

Public Account Deposits

for each major category of deposits:
- cash received during the year
- cash paid during the year
- net cash deposited (A)

Public Account Trust Funds

for each trust account
- cash received during the year
- cash paid during the year
- net increase / decrease in cash (B)

Net increase / decrease in cash (A+B)

Add: Balance opening
- Balance closing as per AG / AGPR

Add / less: reconciling items
- Balance as per the State Bank of Pakistan
The columns “0-1”, “0-2”, and “0-3” represent present values of cash flows for “1”, “2” and “3” years prior to the reporting date. Present values may be calculated using applicable rates of indexation.
3.6  Statement of Revenues and Expenditures by Object

This analyses surplus / deficit by Object

<table>
<thead>
<tr>
<th>Note</th>
<th>Current year</th>
<th>Prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governments</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>Rs.</td>
<td>Rs.</td>
<td>Rs.</td>
</tr>
</tbody>
</table>

Tax revenue

-Tax revenue (major and minor object heads)

Non tax receipts

-Non tax receipts (major and minor object heads)

Total revenues

Expenditure

“Expenditure met from revenue” (major object heads)

Total “Expenditure met from revenue”

“Expenditure met from capital” (major object heads)

Total “Expenditure met from capital”

Total expenditure

Surplus / deficit

Footnote disclosure : Total value of extraordinary losses (after adjusting recoveries) was Rs.----------. These losses are analysed as:

Losses by fire---------------------Rs.

Losses by theft and defalcation---------
Other unusual losses (destruction)--------
3.7 Notes to the Financial Statements

Notes To And Forming Part Of The Financial Statements

1. General

1.1 Basis of accounting
These financial statements have been prepared on a modified cash basis of accounting.

1.2 Basis of measurement
All assets and liabilities are shown at their historical cash value.

1.3 Consolidation
The financial statements have been prepared by consolidating the accounts of all Centralised and Self Accounting Entities except ------------------. Commercial entities owned or controlled by the Government prepare their own financial statements, which are not included in these financial statements.

1.4 Foreign monetary assets and liabilities
Foreign monetary assets and liabilities subject to forward exchange contracts are translated to Pak Rupees using the rate specified in the contract. Other foreign monetary assets and liabilities are translated at the exchange rate prevailing at the reporting date. Exchange gains / losses are recognised in equity.

1.5 Commitments
Commitments represent the value of expenditure for which a valid purchase order has been raised or a contract entered into but against which no payment has been made prior to the reporting date. Commitments have been disclosed in the notes to the Financial Statements.

1.6 Rounding
All amounts in these financial statements have been rounded off to the nearest----------- Rupees.

Billion / Million
2. **Taxation**

<table>
<thead>
<tr>
<th></th>
<th>Current year Rs.</th>
<th>Prior year Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct taxes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor object heads e.g.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>taxes on income</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indirect taxes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor object heads e.g.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. **Non taxation**

|                                                   |                  |                |
| Income from house property                       | Minor object heads |                |
| e.g. State trading schemes                        |                  |                |
| Income from property and enterprise               | Minor object heads |                |
| e.g. Dividends                                    |                  |                |
| Receipts from civil administration and other functions | Minor object heads |                |
| e.g. Law and order receipts                       |                  |                |
| Miscellaneous receipts                            | Minor object heads |                |

4. **Expenditure**

“Expenditure met from revenue” (major object heads)

**Total “Expenditure met from revenue”**

“Expenditure met from capital” (major object heads)
Total “Expenditure met from capital”

<table>
<thead>
<tr>
<th>Total expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Current year</td>
</tr>
<tr>
<td>Rs.</td>
</tr>
</tbody>
</table>

5. **Fixed Assets**
   Analyse into opening balance (of cost), additions, disposals and closing balance for each of the following group of assets.

- Land and Buildings
- Transport
- Machinery and equipment
- Furniture and fixtures
- Livestock
- Diplomatic vehicles
- Others

6. **Cash**
   Cash with State Bank
   Cash balances with Treasuries and remittances in transit

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs.</td>
</tr>
</tbody>
</table>

   6.1 Cash balance - Consolidated Funds
   Cash balance - Public Account

7. **Loans and Advances**
   Account of Railways
   Account of other departments
   Accounts of other entities
   Remittances
Loans and advances
Miscellaneous accounts (except cash with State Bank, in Treasuries and remittances in transit)

<table>
<thead>
<tr>
<th>Current year</th>
<th>Prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs.</td>
<td>Rs.</td>
</tr>
</tbody>
</table>

8. Government Securities
Federal Investment Bonds/Treasury Bills

9. Loans
Loans - domestic
Loans - foreign
Floating loans

9.1 : Reconcile opening balance in this category with closing balance. Analyse into additions, retirements, other adjustments (specify). Also provide brief description, purpose, lender, repayment terms and interest rate for material items within this category.

9.2 : Reconcile opening balance in this category with closing balance in Pak Rupees and Foreign Currency. Analyse into additions, retirements, other adjustments (specify) and foreign exchange gains / losses. Also provide brief description, purpose, lender, repayment terms and interest rate for material items within this category.

9.3 : Reconcile opening balance in this category with closing balance. Analyse into additions, retirements, other adjustments (specify). Also provide brief description, purpose, lender, repayment terms and interest rate for material items within this category.

10. Deposits and reserves
(all special deposit and trust accounts as per CoA)
Relief funds
Development funds
Economic fund
Education and training fund
Fund for culture and heritage
Welfare fund
Insurance fund
other funds
other deposit accounts
Other deposits and reserves

<table>
<thead>
<tr>
<th></th>
<th>Current year</th>
<th>Prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.</td>
<td>Rs.</td>
</tr>
</tbody>
</table>

11. Deferred liabilities
Provident fund
Benevolent fund

11.1: Provide a brief description of these schemes.

12. Current liabilities
Current liabilities (details as per CoA)

13. Commitments
This represents the value of expenditure committed at the closing date against which payment has not been made in the current financial year.

Value of total commitments outstanding at the balance sheet date was Rs.----------.

14. Residual equity
Opening balance
This year surplus/deficit
Closing balance

This represents the difference between assets and liabilities at the reporting date
Examples include effect of foreign exchange variations on foreign loans.
3.8  **Analysis of Revenues by Divisions/Departments**

<table>
<thead>
<tr>
<th>Division/Department</th>
<th>Revenue estimates</th>
<th>Actual revenues</th>
<th>Variance</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>XYZ Division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor heads of revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ABC Division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor heads of revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This should equal total revenues as per the “Statement of Revenues and Expenditures”

Sort by descending order according to revenue targets.
### 3.9 Summary Of Appropriation Accounts by Grants And Appropriations

<table>
<thead>
<tr>
<th>GRANT NO.</th>
<th>NAME OF GRANT</th>
<th>RECIPIENT DIV. / DEPT.</th>
<th>FINAL GRANT/ APPROPRIATION</th>
<th>ACTUAL EXPENDITURE</th>
<th>EXCESS / SAVINGS</th>
<th>RECOVERIES ADJUSTED AS REDUCTION OF EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>REVISED ACTUAL EXPEN. MORE/ LESS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VOTED TOTAL</th>
<th>CHARGED</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>GRAND TOTAL</th>
<th></th>
</tr>
</thead>
</table>
### 3.10 Appropriation Accounts by Economic Functions and Departments / Divisions

<table>
<thead>
<tr>
<th>Economic function</th>
<th>Total appropriation</th>
<th>Actual expenditure</th>
<th>Excess / savings</th>
<th>Variance / %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Division/Department</td>
<td>Total appropriation</td>
<td>Actual expenditure</td>
<td>Excess / savings</td>
<td>Variance / %</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 3.11 Appropriation Accounts By Grant

Note: there will be a separate schedule of analysis for each grant.
(Separate sections for development and current grants)

<table>
<thead>
<tr>
<th>GRANT</th>
<th>DEVELOPMENT / CURRENT</th>
<th>ECONOMIC FUNCTION</th>
<th>MINOR FUNCTION</th>
<th>DETAILED FUNCTION</th>
<th>DIVISION/DEPARTMENT</th>
<th>DDO #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major object</td>
<td>Current year</td>
<td>Prior year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Grant</td>
<td>Supplementary Grant</td>
<td>Final Grant</td>
<td>Actual Expenditure</td>
<td>Excess/savings</td>
<td>Final grant</td>
<td>Actual expenditure</td>
</tr>
<tr>
<td>e.g. Employee related expenses</td>
<td>xxx</td>
<td>xxx</td>
<td>xxxxx</td>
<td>xxxxx</td>
<td>xxxxx</td>
<td>yyyyyy</td>
</tr>
</tbody>
</table>

*Comments on significant variances should be disclosed in footnotes along with losses and defalcations and comments on performance of the grant.
3.12 General comments

3.12.1.1 Provincial / Federal entities own / control all assets and liabilities, wherever accounted for (in the Public account and Consolidated Funds). No distinction has been made between assets and liabilities accounted for in separate funds.

3.12.1.2 Most Public Account accounts (except those representing specific deposits and funds) are essentially current accounts and hence may require reclassification from current asset to current liability groups, depending upon the net balance at the reporting date.

3.12.1.3 The accounts used in the specimen financial statements are for illustrative purposes only.

3.12.1.4 Consolidation procedures require that inter entity accounts (those accounts which record corresponding aspects of the same transaction between two or more entities) are eliminated. However, preceding any such elimination, each entity will need to engage in a reconciliation exercise at least three months before the reporting date. Accordingly AG / AGPR will need to establish a cut off date at which all inter entity transactions are closed and reconciled between the Provincial and Federal Governments.

3.12.1.5 Other control reports have been discussed in the Accounting Policies and Procedures Manual.
4 Financial Control Reports
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   4.1.2 Deadlines 4.3
   4.1.3 Responsibility 4.3

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   4.2.1 Description 4.4
   4.2.2 Deadline 4.4
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   4.4.2 Deadline 4.6
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4.1 Revenue Confirmation Statement

4.1.1 Description

4.1.1.1 The DAO’s / AG’s / AGPR will produce this statement on a monthly basis for agreement with CBR. This will include the date and number of each receipt and amount credited under each respective minor head of revenue. The confirmation statement will be signed off by the respective DAO / AG / AGPR and the PAO - CBR.

4.1.2 Deadlines

4.1.2.1 To be delivered to CBR within 5 days after the end of each month.

4.1.2.2 PAO - CBR to approve and return before the 7\textsuperscript{th} of each month.

4.1.2.3 DAO to intimate AG / AGPR of any significant differences before the 10\textsuperscript{th} of each month.

4.1.3 Responsibility

4.1.3.1 DAO / AG’s / AGPR shall be responsible for producing and delivering this report to the PAO - CBR.

4.1.3.2 The PAO - CBR shall ensure that the approved report is re submitted with the DAO / AG / AGPR within the time allowed.
4.2 Disbursement Confirmation Statement

4.2.1 Description

4.2.1.1 All DAO’s will produce this statement on a monthly basis, indicating the "month to date" status of all claim vouchers submitted for payment during the reporting period and "claims subject to audit objections" relating to current / earlier periods. There will be columns for Claim Voucher number and date, amount, Division / Department and DDO, date of submission for pre audit, and status (cleared, rejected) and where rejected, will specify clear reasons for such rejection and time within which these can be redressed. The receiving DDO will verify this information with his / her own records and return the approved copy to the concerned DAO.

4.2.2 Deadline

4.2.2.1 To be sent to the DDO’s before the 5th of each month for verification.

4.2.2.2 DDO to approve and re submit with DAO before the 7th of each month.

4.2.2.3 DAO to intimate AG / AGPR of any significant differences before the 10th of each month.

4.2.3 Responsibility

4.2.3.1 The DAO shall be responsible for producing and delivering this statement to the DDO.

4.2.3.2 The DDO shall ensure that this statement is re submitted with the DAO within the time allowed.
4.3 Division/Department Statement

4.3.1 Description

4.3.1.1 The Division/Department Statement will be identical in format as the Division/Department Accounts in the Monthly and Quarterly Accounts produced by the AG’s / AGPR.

4.3.1.2 This statement will be furnished to the Division/Departments by the AG’s / AGPR to allow them to verify the accuracy of account balances included in the periodic accounting reports and will effectively check any disagreements between records of those entities with the AG’s / AGPR.

4.3.1.3 This statement will be approved by the Principal Accounting Officer for each Division / Department and returned.

4.3.2 Deadlines

4.3.2.1 This statement should be sent to the Division/Departments before the 5th of each month.

4.3.2.2 The PAO shall ensure that the approved statement is returned to the AG / AGPR before the 7th of each month.

4.3.3 Responsibility

4.3.3.1 The AG’s / AGPR shall be responsible for producing the Division Statement and ensuring that this is submitted with the concerned Departments / Divisions within the time allowed for this purpose.

4.3.3.2 The PAO shall ensure that this document is properly reviewed and returned to the AG’s / AGPR within deadlines.
4.4 Exchange and Settlement Control Statement

4.4.1 Description

4.4.1.1 The DAO will produce an Exchange and Settlement Account Control Statement on a monthly basis, based on his general ledger records (see chapter 12 of APPM).

4.4.1.2 The Exchange and Settlement Account Control Statement will show the net balance payable/receivable between different entities (Departmental or Government).

4.4.1.3 This statement will be sent to the Accountant General where it will be consolidated on a monthly basis.

4.4.2 Deadlines

4.4.2.1 This statement should be sent to the Accountant General before the 7th of each month.

4.4.3 Responsibility

4.4.3.1 The DAO’s / AG’s / AGPR shall be responsible for producing the Exchange and Settlement Control Statement and ensuring that this is reported as part of the Consolidated Monthly Accounts.