

AUDITED PROJECT FINANCIAL STATEMENTS

Loan: L-I-2000001114-PK

Period covered: 1 July 2017 to 30 June 2018

ECONOMIC TRANSFORMATION INITIATIVE – GILGIT – BALTISTAN PROGRAMME (ETI-GB)

Prepared by the Auditor General

Received on 21 January 2019

The Audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those IFAD's Board of Directors, Management or Staff. These documents are made publicly available in accordance with the "IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects (2018)"



**Office of the
Auditor-General of Pakistan**
Special Sectors Audit Wing
Constitution Avenue
Islamabad

No.SSAW /FAP/GB /F- 32 /194.

Dated: 27-12-2018

- 1 The Secretary,
Economic Affairs Division,
Pak Secretariat, Block "C",
Islamabad.
- 2 Country Director,(KfW/German)
House 23, Street 55, F-7/4, Islamabad.
- 3 Country Program Officer, ✓
Internal Fund for Agriculture Development (IFAD),
IFAD Country Office, Park Road, Chak Shahzad NARC,
Islamabad.

Subject: **FINANCIAL ATTEST AUDIT REPORTS ON ACCOUNTS OF FOREIGN
AIDED PROJECTS FINANCIAL YEAR 2017-18 DUE ON 31-12-2018**

The Financial Attest Audit of the following FAPs have been conducted by this office:


S. #	Name of Project	Loan No.	Development Partner
1	Economic Transformation , Initiative Gilgit -Baltistan	2000001114	IFAD
2	Social Health Protection Initiative, Gilgit -Baltistan	200966168	KfW

2. Financial Attest Audit Reports of the above mentioned projects are hereby submitted to the Government and the concerned Development Partners as per requirements.

Enclosures: As above

Cc:

- 1 DAG (North), Peshawar.
- 2 DG Audit (GB), Gilgit. with the request to issue a copy of the above Reports to the Project Management for their further necessary action.
- 3 Master File


Sardar Azmat Shaheed
Deputy Auditor General (SSA)



**Financial Attest Audit Report
on the Accounts of
Economic Transformation Initiative, Gilgit-Baltistan
Financed by International Fund for Agriculture
Development (IFAD) Loan No.2000001114**

**Government of Gilgit-Baltistan
Planning & Development Department
For the Financial Year 2017-18**

Auditor General of Gilgit-Baltistan

TABLE OF CONTENTS

Table of Contents

Abbreviations and Acronyms.....	1
Preface.....	3
PART-I	
Project Overview.....	5
Auditor’s Report.....	6
Financial Statments.....	7
PART-II	
Cover Letter to the Management Letter.....	18
Executive Summary.....	19
Management Letter.....	20
1. Introduction.....	21
2. Audit Objectives.....	24
3. Audit Scope and Methodology.....	24
4. Audit Findings and Recommendations	
4.1 Financial Mangement.....	25
4.2 Procurement & Contract Managment	27
4.3 Construction and Works.....	29
4.4 Monitoring and Evaluation.....	30
4.5 Envioronment.....	31
4.6 Sustainability.....	31
4.7 Overall Assessment.....	31
5. Conclusion.....	32
Acknowledgement	33

Abbreviations and Acronyms

AWPB	Annual Work Plan and Budget
AKRSP	Aga Khan Rural Support Programme
ASF	Agribusiness Support Fund
DDO	Drawing and Disbursing Officer
ETI	Economic Transformation Initiative
ECNEC	Executive Committee of the National Economic Council
FMR	Farm to Market Road
FC	Foreign Currency
FEGs	Farmer Enterprise Group
FEC	Foreign Exchange Component
GB	Gilgit-Baltistan
GFR	General Financial Rules
GoP	Government of Pakistan
GAAS	Generally Accepted Accounting Standards
IFAD	International Fund for Agriculture Development
ICB	International Competitive Bidding
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
KA&GB	Kashmir Affairs & Gilgit-Baltistan
KM	Kilometer
LC	Local Currency
M&E	Monitoring & Evaluation
MoU	Memorandum of understanding
NOC	No objection Certificate
OM	Office Memorandum
O&M	Operating & Maintenance
PCU	Programme Coordination Unit

PPRA	Pakistan Procurement Regularity Authority
PC	Program Coordinator
PEC	Pakistan Engineering Council
PSC	Programme Steering Committee
PWD	Pubic Works Department
PC-I	Planning Commission (Proforma-I)
P&DD	Planning & Development Department
PSDP	Public Sector Development Programme
RCU	Regional Coordination Unit
SMP	Social Mobilization Partner
SMT	Social Mobilization Team
TCL	Tissue Culture Lab
VCF	Value Chain Fund
VPGs	Village Producer Groups
VCTAT	Value Chain Technical Assistant Team
WMD	Water Management Directorate

PREFACE


The Auditor General of Gilgit-Baltistan conducts audit under Section 83 (4) (b) of the Gilgit-Baltistan (Empowerment and Self Governance) Order, 2009 and Auditor General of Gilgit-Baltistan (Functions, Powers and Terms and Conditions of Service) Act, 2012. The Financial Attest Audit of the Project "Economic Transformation Initiative, Gilgit-Baltistan" Loan No.2000001114 financed by Government of Pakistan & International Fund for Agriculture Development (IFAD) was carried out for the financial year 2017-18 accordingly.

The Directorate General Audit, Gilgit-Baltistan, Gilgit conducted Financial Attest Audit of the Project "Economic Transformation Initiative, Gilgit-Baltistan" Loan No.2000001114 financed by Government of Pakistan & IFAD for the financial year 2017-18, in the month of October, 2018 with a view to report significant findings to the stakeholders. Audit assessed, on test check basis, whether the management complied with applicable laws, rules and regulations in managing the project activities. The Audit Report indicates specific actions that, if taken, will help the management to realize the objectives of the Project.

The Report consists of two parts. Part-I contains Auditor's Report (Audit Opinion) and Financial Statements. Part-II contains Executive Summary, Management Letter and Audit Findings.

The Report has been prepared for submission to International Fund for Agriculture Development (IFAD) in terms of loan agreement with Government of Pakistan.

Dated: 20 .12.2018
Gilgit


(Muhammad Afzal)
Director General Audit
Gilgit-Baltistan Gilgit

PART-I

1. PROJECT OVERVIEW
2. AUDITOR'S REPORT TO THE MANAGEMENT
3. FINANCIAL STATEMENTS

PROJECT OVERVIEW

Name of the Project:	Economic Transformation Initiative (ETI), Gilgit-Baltistan
Sponsoring Authority:	International Fund for Agriculture Development (IFAD) & Government of Pakistan
Executing Authority:	Planning & Development Department, Gilgit-Baltistan through Project Coordination Unit (PCU)
Principal Amount:	US\$ 120.15 million (Rs. 12,315.5 million)
PC-I Cost:	US\$ 120.15 million (Rs. 12,315.5 million)

	US\$ in million	PKR in million
i. IFAD	67.00	6,867.5
ii. GoP	23.63	2,422.1
iii. Co-Financing	22.98	2,355.5
iv. Beneficiary	6.54	670.4
Total	120.15	12,315.5

Date of Approval of PC-1:	13.04.2015
Date of Agreement with IFAD:	16.09.2015
Planned date of commencement:	16.09.2015
Actual date of Commencement:	1 st March, 2016
Date of Completion (as per PC-I):	12.04.2022
Loan Closing Date:	16.09.2022

Fund Utilization Status:

(Rs. in million)

	2016-17	Progressive upto June, 2018
IFAD	186.899	903.750
GoP	109.040	285.064
Total	295.939	1188.814



DEPARTMENT OF THE AUDITOR GENERAL GILGIT-BALTISTAN

DIRECTORATE GENERAL AUDIT GILGIT-BALTISTAN

Karakoram Cooperative Bank Plaza, Jutial Gilgit

Ph: 05811-922113 Fax: 05811-922115 Email: dgauditgb123@gmail.com

AUDITOR'S REPORT

Auditor's Report on the Economic Transformation Initiative (ETI), Gilgit-Baltistan Financial Statements

We have audited the accompanying Financial Statements of the the Programme "Economic Transformation Initiative (ETI GB), Gilgit-Baltistan" financed by Government of Pakistan (GoP) & International Fund for Agriculture (IFAD), that is receipt and payment statement for the year ended 30th June, 2018.

Management Responsibility

It is the responsibility of the Programme Management to establish and maintain a system of internal controls, prepare and present the Statement of Receipts and Payments in conformity with the requirements of Cash Basis IPSAS, Financial Reporting under the Cash Basis of Accounting Standard.

Auditor's Responsibility


The responsibility of the auditor is to express an opinion on the financial statements based on the audit conducted. We conducted our audit in accordance with the International Standards of Supreme Audit Institutions. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. The audit process includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessing the Accounting Principles used and significant estimates made by the management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion:

- a) The Financial Statements present fairly, in all material respects, the cash receipts and payments by the project for the year ended 30th June, 2018 in accordance with Cash Basis IPSAS, Financial Reporting under the Cash Basis of Accounting Standards.
- b) The expenditures have been incurred in accordance with the requirements of legal agreements except few observations as audit paras.

Dated: 20.12.2018
Gilgit


(Muhammad Afzal)
Director General Audit

FINANCIAL STATEMENTS

**ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
IFAD LOAN NO 2000001114**

FINANCIAL STATEMENTS

FOR THE YEAR 2017-18

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
 PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
 IFAD LOAN 2000001114

STATEMENT OF RECEIPT AND PAYMENTS (BY CATEGORY OF EXPENDITURES)
 FOR THE YEAR ENDED JUNE 30, 2018

	notes	2017-18	2016-17	Cumulative to date	
		PKR	PKR	PKR	
1 - Initial cash balance / or cash balance brought forward		307,029,084	-		
FINANCING					
- IFAD funds received					
Initial deposit		231,044,600	314,098,350	545,142,950	
- Replenishment of the Special Account (SA)		578,208,895	86,075,256	664,284,151	
- IFAD Direct Payments	4	1,063,457	2,526,146	3,589,603	
- Funds received by the government - if any		168,000,000	200,000,000	411,653,992	
- Funds received by other donors - if any		-	-	-	
- Other receipts - if any	6	-	270,000	270,000	
2 - TOTAL FINANCING		978,316,952	602,969,752	1,624,940,696	
PROJECT EXPENDITURES (BY CATEGORY OF EXPENDITURES)					
		2017-18	Restated 2017-16	Cumulative to date	
Category	IFAD Credit (separate analysis if different sources of IFAD's funding)				
1	Civil Works	6	409,384,963	26,597,496	435,982,459
2	Equipment & Material	6 1	2,116,069	37,598,623	67,323,164
3	Grant & Subsidies		48,918,046	1,548,849	50,466,895
4	Training & Consultancies	6 2	97,988,312	32,858,468	130,846,780
5	Salaries & Allowances		74,732,283	50,155,812	128,027,155
6	Operating Cost		50,146,393	38,140,439	91,104,320
7	Un Allocated		-	-	-
	Subtotal IFAD Credit		683,286,068	186,899,687	963,756,773
	Government Funds				
1	Civil Works	6	38,813,693	2,425,094	41,238,787
2	Equipment & Material	6 1	6,006,240	46,785,303	60,332,571
3	Grant & Subsidies	7	213,280	-	213,280
4	Training & Consultancies	6 2	63,647,034	17,843,884	81,290,918
5	Salaries & Allowances	6 3	44,473,940	32,830,358	78,947,872
6	Operating Cost	6 4	12,779,980	9,556,342	23,040,692
7	Un Allocated		-	-	-
	Subtotal Government Funds		165,934,167	109,040,981	285,064,120
3 - TOTAL PROJECT EXPENDITURES		849,220,233	296,940,668	1,188,814,893	
Balance brought forward (1 + 2 - 3)		436,125,803	307,029,084	436,125,803	

Handwritten signature/initials

Handwritten signature/initials

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
 PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
 IFAD LOAN 2000001114

STATEMENT OF RECEIPT AND PAYMENTS (BY COMPONENT)
 FOR THE YEAR ENDED 30 JUNE 2017

	notes	2017-18	2016-17	Cumulative to date	
		PKR	PKR	PKR	
1 - Initial cash balance / or cash balance brought forward		307 029 084	-	-	
FINANCING.					
- IFAD funds received					
- Initial deposit		231,044,600	314 098 350	545,142,950	
- Replenishment of the Special Account (SA)		578,208,895	86 075,256	664,284 151	
- IFAD Direct Payments	4	1,063,457	2,526,146	3,589,603	
		-	-	-	
- Funds received by the government - if any		168,000,000	200,000,000	411 653,982	
		-	-	-	
- Funds received by other donors - if any		-	-	-	
		-	270,000	270,000	
2 - TOTAL FINANCING		978,316,952	602,969,752	1,524,940,696	
PROJECT EXPENDITURES (BY COMPONENT)					
Component	IFAD Credit				
A	Economic Infrastructure for Value Chain Development	6	434,085,244	40,211 611	476 482,300
B	Support Services/PPPP for Value Chain Development		156,882 752	51,083,406	215,935,522
C	Programme Management & Policy Support	6 5	92,518,070	95 604,670	211 332,951
	Subtotal IFAD Credit		683,286,066	186,899,687	903,750,773
	Government Funds				
A	Economic Infrastructure for Value Chain Development	6	55 889,733	32,139,129	88,718,417
B	Support Services/PPPP for Value Chain Development		66 239 802	23,808,669	92 618 607
C	Programme Management & Policy Support	6 5	43 804 632	53,093,183	103 729,096
	Subtotal Government Funds		165,934,167	169,040,981	285,064,120
3 - TOTAL PROJECT EXPENDITURES		849,220,233	295,940,668	1,188,814,893	
Balance brought forward (1 + 2 - 3)		436,125,803	307,029,084	436,125,803	

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
 PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
 IFAD LOAN 2000001114

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 FOR THE YEAR ENDED JUNE 30, 2018

Category	IFAD Credit	notes	2017-18 ACTUAL	2017-18 BUDGET	VARIANCE
1	Civil Works		702,262,177	409,384,963	292,877,214
2	Equipment & Material		33,516,065	2,116,069	31,399,996
3	Grant & Subsidies		332,780,000	48,918,048	283,861,954
4	Training & Consultancies		140,609,645	97,988,312	42,621,333
5	Salaries & Allowances		87,253,380	74,732,283	12,521,097
6	Operating Cost		58,817,236	50,146,393	8,670,843
7	Un Allocated				
	Subtotal IFAD Credit		1,355,238,503	683,286,066	671,952,437
	Government Funds				
1	Civil Works		69,454,501	38,813,693	30,640,808
2	Equipment & Material		4,142,435	6,006,240	(1,863,805)
3	Grant & Subsidies		-	213,280	(213,280)
4	Training & Consultancies		83,379,032	63,647,034	19,731,998
5	Salaries & Allowances		51,244,049	44,473,940	6,770,109
6	Operating Cost		14,704,309	12,779,980	1,924,329
7	Un Allocated				
	Subtotal Government Funds		222,924,326	165,934,167	56,990,159
	3 - TOTAL PROJECT EXPENDITURES		1,878,162,829	849,220,233	728,942,596

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
 PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
 IFAD LOAN 2009001114

STATEMENT OF SPECIAL ACCOUNT ACTIVITIES
 FOR THE YEAR ENDED 30, JUNE 2017

Account no 4115403104
 National Bank of Pakistan
 Main Branch Gilgit

	notes	USD	PKR
Opening balance as at 30 June, 2017		1,386,873	143,231,906
Add			
IFAD replenishments			
13/Sep/17	WA no 5	401,702	42,288,445
31/Oct/17	WA no 6	716,988	75,530,758
15/Nov/17	WA no 7	532,301	56,076,627
9/Jan/17	WA no 8	787,392	86,964,266
14/Feb/17	WA no 9	818,334	90,390,635
28/Apr/17	WA no 10	882,211	101,914,002
15/May/18	WA no 11 IFAD increase in Initial Deposit	2,000,000	231,044,600
7/Jun/18	WA no 12	1,082,462	125,044,162
Bank interest			
Total		8,588,272	952,485,401
Deduct			
Transfer to Operating Accounts:			
transfer no 1 dated 21-Jul-2017		477,231	50,000,000
transfer no 2 dated 22-Aug-2017		505,747	53,000,000
transfer no 3 dated 12-Sep-2017		383,895	40,231,906
transfer no 4 dated 13-Oct-2017		401,702	42,288,445
transfer no 5 dated 08-Nov-2017		716,988	75,530,758
transfer no 6 dated 21-Nov-2017		474,519	50,000,000
transfer no 7 dated 17-Jan-2018		787,382	86,964,266
transfer no 8 dated 14-Feb-2018		876,016	96,467,262
transfer no 9 dated 28-04-2018		882,211	101,914,002
transfer no 10 dated 15-05-2018		2,000,000	231,044,600
transfer no 11 dated 07-Jun-2018		1,082,462	125,044,162
Total		8,588,272	952,485,401
Exchange rate difference			
Closing balance as at 30 June, 2017 (as per bank statement)		0	0

Signature

Signature

**STATEMENT OF EXPENDITURES - WITHDRAWAL APPLICATION STATEMENT
FOR THE YEAR ENDED 2017/18
By category of Expenditures in Local Currency**

WA submitted to IFAD during the year		WA No 7	WA No 8	WA No 9	WA No 10	WA No 11	WA No 12	WA No 13	Total
Category	Category								
	Initial Deposit Increased					231 044,600			231,044,600
1	Civil Works	24,921 182	69,198,010	24 742,777	73,517 506		64 387 963	74,865 754	331,643,192
2	Equipment & Material	1,574,791	363 508	-	(799,333)				1,138,966
3	Grants & Subsidies						6,566,488	15,955,087	22,521,576
4	Training & Consultancies	3,385,205	1,138 437	47,709,104	3,559,784		17,564,577	5,178,039	78,533,145
5	Salaries & Allowances	10,808,761	7,302 969	6,344,905	12,135,379		17,249,956	4,217,102	88,059,072
6	Operating Cost	15,008,484	4,380 353	6,893,525	3,893,224		7,489,830	1,935,942	39,801,359
Total		55,698 423	82 383,277	85 690,311	92 306 561	231 044 600	113,298 815	102 149,924	762,541,911
In USD equivl/		532,301	787,392	816,334	882,211	1,082,462	2 000,000	878,831	6,981,531
Rejected from IFAD									
Net Reimbursed		532,301	787,392	816,334	882,211	1,082,462	2,000,000	878,831	6,981,531

WA pending submission to IFAD as at 30 June, 2018

Category	Category	WA No 14	Total
1	Civil Works	90,497,275	90,497,275
2	Equipment & Material	88,582	88,582
3	Grants & Subsidies	28 854,462	28,854,462
4	Training & Consultancies	21,462,284	21,462,284
5	Salaries & Allowances	16,391,467	16,391,467
6	Operating Cost	10,389 986	10,389 986
Total		165,684,056	165,684,056
In USD equivalent		1,440,889	1,440,889

**ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
IFAD LOAN 2000001114**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1 - Accounting Policies

Reporting Scope and Reporting Entity

These Financial Statements are for Economic Transformation Initiative Gilgit Baltistan (ETIGB), rather than for a specified reporting entity. The overall goal of ETIGB is to improve incomes and reduce poverty and malnutrition in rural areas of Gilgit Baltistan Region. The development objective is increased agriculture income and employment for 100,000 smallholder rural households in Gilgit Baltistan.

Basis of Preparation

The Financial Statements have been prepared in accordance with the Cash Basis IPSAS "Financial Reporting Under the Cash Basis of Accounting". They also comply with the reporting requirements by Asian Development Bank and IFAD in its guidance on project financial statements, and with any reporting requirements specified in loan or grant funding agreements.

Presentation Currency

The project financial statements are presented in Pakistani Rupee (PKR).

Other Currencies and Foreign Exchange

There are no special accounting policies in other currencies. IFAD funding for this project is in US Dollars. No funding is provided using special drawing Rights. Where, receipt, payments or balances are denominated in other currencies including US Dollars, these amounts will be shown in the main financial statements in the presentation currencies, in line with requirement of the Cash Basis IPSAS. Foreign Exchange gains or losses are recorded if appropriate.

2 - Budget

The approved budget is developed on the same accounting basis (cash basis) as the project financial statements. The budget is for the same period as the financial statements, and uses the same classification basis. The budget reflects plans agreed with finance providers, and authorized through Government of Gilgit Baltistan annual budgetary procedures.

3 - Cash

Cash comprises cash on hand and demand deposits. Demand deposits consist of balances with banks. No cash equivalents are held by the project in the form of short term market investments.

Closing Balances	"PKR"
FAD Special Account	
IFAD Operational Account	80,984,261
IFAD Value Chain Fund Account	2,206,410
RCU Gilgit IFAD Operations Account	11,452,180
RCU Baltistan IFAD Operations Account	48,703,806
RCU Diamer IFAD Operations Account	7,578,292
Government Contribution Account	-
PCU GoGB Operations Account	20,053,128
RCU Gilgit GoGB Operations Account	14,038,835
RCU Baltistan GoGB Operations Account	15,000,000
RCU Diamer GoGB Operations Account	15,000,000
Cash on Hand PCU and RCUs	90,893
Funds in Implementing Partner Accounts	30,955,208
Unadjusted Advances on Contracts	209,927,292
Unadjusted Advances on Mission	135,500
	<u>436,125,803</u>

4 - Direct Payments

A direct payment of PKR 1,063,457/- was made to DISS by IFAD on behalf of ETIGB for Training of TOMPRO conducted in Islamabad during FY 2017-18.

5 - Other Donor Funds

No funds were received from donors other than IFAD and GoGB during financial year 2017-18.

6 - Restatement of Comparatives (FY 2016-17)

Following figures in Financial statements of 2016-17 have been restated, which result in Financial Statements providing more relevant and reliable information about financial performance and financial position of the project at the year end -

Civil Works Comparatives

In the Financial Statements of 2016-17 unadjusted advances given for Civil Works were made part of Civil Work expenditure. However, these advances could not be claimed from IFAD unless they were adjusted. Therefore, Civil Works expenditure figures appearing in previous year Financials did not reconcile with the expenses claimed from IFAD under the same category. Hence changes have been made in TOMPRO to present only adjusted expenditure on face of financial statements and to disclose unadjusted advances in note no 3. As a result Rs 47,528,972/- was deducted from Civil works expenditure and charged to Unclaimable/Unadjusted Advances. Further, an adjustment was made for Rs 277,200/- it was reversed from IFAD and charged to the alternate Financing Source i.e Government of Gilgit Baltistan (GoGB) and comparatives were restated accordingly.

As a result of above changes, Civil Works expenditure as at 30 June 2017 was restated as follow

Category	Civil Works 2016-17	PKR IFAD	PKR GoGB
	Expenditure	74,403,668	2,147,894
Less	Unadjusted Advances	47,528,972	
	Adjusted Expenditure	277,200	
Add	Adjusted amount charged to GoGB		277,200
	Restated Expenditure	26,597,496	2,425,094

As a result of above changes, expenditure in Economic Infrastructure for Value Chain Development Component as at 30 June, 2016 was restated as follows

Component	Economic Infrastructure for Value Chain Development 2016-17	PKR IFAD	PKR GoGB
	Expenditure	88,017,783	31,861,929
Less	Unadjusted Advances	47,528,972	
	Adjusted Expenditure	277,200	
Add	Adjusted amount charged to GoGB		277,200
	Restated Expenditure	40,211,611	32,139,129

6.1 Equipment and Material Comparatives

An adjustment was made for Rs 888,220/- charged under Financing Source IFAD under Category Equipment and Materials in FY 2016-17 as a result this adjustment, expenditure was reversed and charged to the GoGB an expense of Rs 312,220/- was erroneously reflected in FY 2016-17 under financing source GoGB in Category 2, which was noticed later on and restated

As a result of above changes, Material and Equipment expenditure as at 30 June 2017 was restated as follow

Category	Equipment and Material 2016-17	PKR IFAD	PKR GoGB
	Expenditure	38,486,843	46,209,303
Less	Adjusted Expenditure	888,220	
	Adjusted Expenditure		888,220
Less	Expenditure erroneously added		312,220
	Restated Expenditure	37,598,623	46,785,303

6.2 Training and Consultancies Comparatives

An adjustment was made for Rs 63,000/- charged under Financing Source IFAD under Category Training & Consultancies in FY 2016-17, as a result this adjustment expenditure was reversed and charged to the GoGB

As a result of above changes Training and Consultancies expenditure as at 30 June, 2017 was restated as follow

Category	Training and Consultancies 2016-17	PKR IFAD	PKR GoGB
	Expenditure	32,921,468	17,580,884
Less	Adjusted Expenditure	63,000	
Add	Adjusted Expenditure charged to GoGB		63,000
	Restated Expenditure	32,858,468	17,643,884

6.3 Salaries and Allowances Comparatives

An expenses of Rs 6,982/- pertaining to wages was erroneously not reflected in FY 2016-17 under financing source GoGB, because the entry in Tompro was not linked to any Category and Component therefore it did not appear in Financial Reports on account of that Salaries and allowances as at 30 June, 2017 have been restated as follows

Category	Salaries and Allowances 2016-17	PKR GoGB
	Expenditure	32,623,376
Add	Expenditure previously omitted	6,982
	Restated Expenditure	32,630,358

6.4 Operating Cost Comparatives Comparatives

An expenses of Rs 3,069/- was erroneously not reflected in FY 2016-17 under financing source GoGB because the entry in Tompro was not linked to any Category and Component On account of that Operating Cost as at 30 June, 2017 has been restated as follows

Category	Operating Cost 2016-17	PKR GoGB
	Expenditure	9,553,273
Add	Expenditure previously omitted	3,069
	Restated Expenditure	9,556,342

6.5 Programme Management & Policy Support Comparatives

As a result of changes made to Comparatives in Equipment and Material, Salaries and Allowances and Operating Cost Categories (note 6.1, 6.2, 6.3, 6.4) Programme Management and Policy Support Component as at 30 June, 2017 has been restated as follows -

Component	Programme Management & Policy Support 2016-17	PKR IFAD	PKR GoGB
	Expenditure	96,555,890	52,444,132
Less	Equipment and Material Expenditure Adjusted Expenditure	888,220	
Less	Training and Consultancies Adjusted Expenditure	63,000	
Add	Equipment and Material Adjusted Expenditure		888,220

Add	Training and Consultancies Adjusted Expenditure	63,000	
Add	Salaries and Allowances omitted	6,982	
Add	Operating Cost omitted	3,069	
Less	Expenditure erroneously added	312,220	
	Restated Expenditure	95,604,670	83,093,183

7- Rectification of Error

A Grant falling under category 3 amounting to 213,280/- was erroneously charged to Government instead of IFAD by RCU Damer. This error was noticed after the end of reporting period, therefore a reversal entry has been passed in October 2018 to rectify the error and to charge the expense to correct financing source.

8- Intangible Assets

As at 30 June, 2018 ETI-GB has an accounting software Tompro classified as intangible assets, purchased on 12-12-2016 at a cost of Rs 2,851,117/-.

9- Fixed Asset Schedule

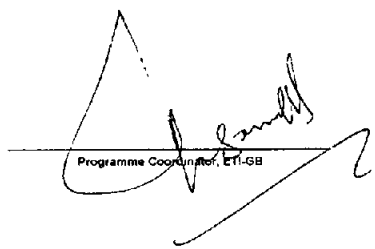
Serial no	Description	Cost	Purchase Date	Physical Location
1	AIR CONDITIONER HAIER	53,900.00	12-08-2016	Director Finance Office PCU
2	AIR CONDITIONER HAIER	53,900.00	12-08-2016	Regional Coordination Unit-Balistan
3	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Conference Room RCD
4	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Conference Room PCU 2
5	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Assistant to Programme Coordinator Office
6	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Water Management Department
7	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Water Management Department
8	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Agri Research Department
9	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Agri Extension Department
10	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Agri Extension Department
11	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Agri Extension Department
12	Air Conditioner Haier	53,900.00	12-08-2016	Store Room PCU
13	Vacuum cleaner ESVC- 20LWD	8,499.00	21-12-2016	Kitchen PCU
14	Telephone Exchange PABAX	54,000.00	21-08-2016	Reception PCU
15	Telephone Exchange PABAX	54,000.00	21-08-2016	Reception RCG
16	Telephone Exchange PABAX	54,000.00	21-08-2016	Reception RCD
17	Telephone Exchange PABAX	54,000.00	21-08-2016	Reception RCB
18	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Store Room PCU
19	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Asst Regional Programme Coordinator Office Gigt
20	MULTIMEDIA PROJECTOR EPSON EB-X04	71,000.00	12-08-2016	Conference Room RCB
21	AIR CONDITIONER HAIER	53,900.00	12-08-2016	Deputy Programme coordinator Office
22	Generator JKVA for Balistan	60,000.00	05-08-2016	Regional Coordination Unit-Balistan
23	AIR CONDITIONER HAIER	53,900.00	12-08-2016	Programme Coordinator Office
24	Air Conditioner Haier	53,900.00	12-08-2016	Regional Programme coordinator Office Gigt
25	Generator 5KVA Honda	178,999.00	20-12-2016	PCU Parking
26	Camera Digital Nikon D5600	90,000.00	28-02-2017	Assistant to Programme Coordinator Office
27	Camera Digital Nikon D5600	90,000.00	28-02-2017	Assistant to Programme Coordinator Office
28	AIR CONDITIONER KENWOOD	187,000.00	22-02-2017	Conference Room PCU 2
29	AIR CONDITIONER KENWOOD	187,000.00	22-02-2017	Conference Room PCU 2
30	Camera Digital Nikon D5600	90,000.00	28-02-2017	Asst Regional Programme Coordinator office Balistan
31	Camera Digital Nikon D5300	68,500.00	28-02-2017	Asst Regional Programme Coordinator Office Damer
32	Camera Digital Nikon D5600	90,000.00	28-02-2017	Asst Regional Programme Coordinator Office Gigt
33	Camera Digital D5300	68,500.00	22-02-2017	Agri Extension Department
34	AIR CONDITIONER KENWOOD	187,000.00	22-02-2017	Conference Room PCU 1
35	Camera Digital D5300	68,500.00	22-02-2017	Agri Extension Department
36	Camera Digital D5300	68,500.00	22-02-2017	Agri Extension Department
37	Camera Digital D5300	68,500.00	22-02-2017	Agri Extension Department
38	Flr 16 Channel NVR with 4TB Sata Hard Drive for CCTV System	291,250.00	13-04-2017	Programme Coordinator Office
39	Mobile Samsung J510	20,000.00	04-05-2017	Procurement Asst. Office PCU
40	Mobile Q Z12 Pro	19,500.00	05-05-2017	Logistic Helper PCU
41	Mobile Samsung Galaxy J7	25,000.00	21-04-2017	Admin Room 1 PCU
42	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	IT Administrator Office PCU
43	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Deputy Programme coordinator Office
44	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Director Finance Office PCU
45	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Store Room PCU
46	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Store Room PCU
47	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Gender & poverty manager PCU
48	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Business Development Officer PCU
49	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Agri Specialist Office PCU
50	Mobile Samsung Galaxy J500	21,119.00	20-02-2017	Manager Accounts Office PCU
51	Mobile Samsung Galaxy J500	21,119.00	20-02-2017	Resident Engr. Office PCU
52	Mobile Samsung Galaxy J500	21,119.00	20-02-2017	Value Chain Fund Officer PCU
53	Mobile Samsung	28,000.00	20-08-2017	Assistant to Programme Coordinator Office
54	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Regional Programme coordinator Office Gigt
55	Mobile Samsung Galaxy J500	21,119.00	20-02-2017	Manager Finance & Admin Office Gigt
56	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Regional Programme Coordinator Office Damer
57	Mobile Samsung Galaxy J500	21,119.00	20-02-2017	Manager Finance & Admin Office Damer
58	Mobile Samsung Galaxy J7 Prime G610	34,379.00	20-02-2017	Regional Programme Coordinator Office Balistan
59	Mobile Samsung Galaxy J500	21,119.00	20-02-2017	Manager Finance & Admin Office Balistan
60	Multi Media Screen	31,000.00	11-03-2017	Conference Room PCU 2
61	Multi Media Screen 5'8	23,000.00	11-03-2017	Conference Room PCU 1
62	LED Flat Panel TV	185,000.00	22-02-2017	Conference Room PCU 1
63	LED 32 inch for CCTV System	49,575.00	13-04-2017	Admin Room 1 PCU
64	LED 32 inch for CCTV System	49,575.00	13-04-2017	Programme Coordinator Office
65	LED 32 inch for CCTV System	49,575.00	13-04-2017	Deputy Programme coordinator Office
66	Security Cameras for CCTV System	68,185.00	13-04-2017	PCU and RCG Building

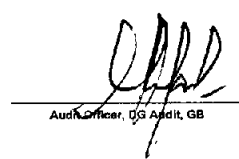
[Handwritten signature]

[Handwritten signature]

1057	Motorcycle Honda CG 125 Latest Model 4-Stroke Engine 772	104,500 00	21-06-2016	Agri Extension Department
1058	Motorcycle Honda CG 125 Latest Model 4-Stroke Engine	104,500 00	21-06-2016	Agri Research Department
1059	Motorcycle Honda CG 125 4-Stroke Engine GLTC 711 8775111/2573	104,500 00	21-06-2016	Agri Research Department
1060	SUZUKI CULTUS VXR 1000CC	1,109,000 00	21-06-2016	RCUG Parking
1061	SUZUKI CULTUS VXR 1000CC	1,109,000 00	21-06-2016	RCUB Parking
1062	SUZUKI CULTUS VXR 1000CC	1,109,000 00	21-06-2016	RCUD Parking
1063	SUZUKI CULTUS VXR 1000CC 591	1,109,000 00	21-06-2016	Water Management Department
1064	SUZUKI CULTUS VXR 1000CC GLTC 567	1,109,000 00	21-06-2016	Director Finance Office PCU
1065	SUZUKI CULTUS VXR 1000CC GLTC 475	1,109,000 00	21-06-2016	Gender & poverty manager PCU
1066	SUZUKI CULTUS VXR 1000CC GLTC 468	1,109,000 00	21-06-2016	Agri Specialist Office PCU
1067	SUZUKI CULTUS VXR 1000CC GLTC 568	1,109,000 00	21-06-2016	PCU Parking
1068	SUZUKI CULTUS VXF 1000CC	1,109,000 00	21-06-2016	Agri Research Department
1069	SUZUKI JIMNY JLDX	2,308,000 00	21-06-2016	RCUG Parking
1070	SUZUKI JIMNY JLDX	2,308,000 00	21-06-2016	RCUB Parking
1071	SUZUKI JIMNY JLDX	2,308,000 00	21-06-2016	RCUD Parking
1072	SUZUKI JIMNY JIDX SN413	2,308,000 00	21-06-2016	Agri Research Department
1073	SUZUKI JIMNY JLDX	2,308,000 00	21-06-2016	PCU Parking
1074	SUZUKI JIMNY JLDX GLTC 563	2,308,000 00	21-06-2016	PCU Parking
1075	SUZUKI JIMNY JIDX SN413	2,308,000 00	21-06-2016	Agri Research Department
1076	REVO V (AT) GLTC 528	4,268,500 00	10-01-2017	PCU Parking
1077	Revo G (MT) GLTC 526	3,818,500 00	13-01-2017	RCUD Parking
1078	Revo G (MT) GLTC 527	3,818,500 00	13-01-2017	RCUB Parking
1079	REVO V (AT) GLTC 30	4,268,500 00	20-02-2017	PCU Parking
1080	REVO G (MT)	3,818,500 00	20-02-2017	PCU Parking
1081	REVO G (MT)	3,818,500 00	20-02-2017	PCU Parking
1082	REVO G (MT)	3,818,500 00	20-02-2017	PCU Parking
1083	REVO G (MT)	3,818,500 00	20-02-2017	PCU Parking
1084	REVO G (MT)	3,818,500 00	20-02-2017	PCU Parking
1085	REVO G (MT)	3,818,500 00	20-02-2017	PCU Parking
1086	Revo V (AT) GLTC 624	4,268,500 00	20-02-2017	RCUB Parking
1087	REVO G (MT) 1KDU 950352	3,818,500 00	20-02-2017	Water Management Department
1088	REVO G (MT) 1KDU 950376	3,818,500 00	20-02-2017	Water Management Department
1089	REVO G (MT) GLTC 609	3,818,500 00	20-02-2017	Agri Extension Department
1090	REVO G (MT) GLTC 609	3818500	20-02-2017	Agri Extension Department


 Director Finance & Admin, ETI-GB


 Programme Coordinator, ETI-GB


 Audit Officer, DG Audit, GB