

ALE IMRAN & CO.
Chartered Accountants

**AUDITOR'S REPORT TO THE TRUSTEES/ BOARD OF GOVERNORS/
MANAGEMENT COMMITTEE**

We have audited the annexed balance sheet of the M/s. Transparency International Pakistan as at June 30th, 2008 and the related Receipt & Payment account together with the notes forming part thereof (here-in-after referred to as the financial statements for the year then ended.)

It is the responsibility of the trustees/ board of governors/ management committee to establish and maintain a system of internal control, prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on those financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly in all material respects the financial position of the Transparency International Pakistan as at June 30th, 2008 and of its balances for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Karachi
July 31st, 2008

 
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July 31st, 2008

Syed Adil Gilani
Trustee
Transparency International Pakistan
5-C, 2nd Floor, Khayaban-e-Ittehad
Phase VII
Defence Housing Authority
Karachi

Sub: Management Letter

Dear Sir

Reference to the audit of financial statements conducted, for the period July 2007 - June 2008. We would like to enclose our review for the Internal Controls of the organization.

Review comprises of questionnaire and our assessment/ suggestions likely to be implemented for strengthening the working of the organization.

We are available for professional services when ever needed.

Thanks and regards


ALE IMRAN
CHARTERED ACCOUNTANT.



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QUESTIONARE FOR INTERNAL CONTROL MEMO FOR MANAGEMENT LETTER M/s.
TRANSPARENCY INTERNATIONAL

AUDIT PERIOD JULY 2007 – JUNE 2008

INDICATOR RATING E=essential; R=recommended A=Additional to strengthen the activities		S= UPTO STANDARDS N=NEEDS IMPORVEMENT(N.I)		
Rating	Indicator	MET	N.I	N/A.
E	The organization follows accounting practices which confirm to accepted standards.	S		
E	The organization has systems in place to provide the appropriate information needed by staff and principals to make sound financial decisions.	S		
R	The organization prepares timely financial statements including the Balance sheet and statement of Receipts and Payments which are clearly stated and useful for the principal and staff.	S		
R	The organization prepares financial statements on a budget versus actual and/or comparative basis to achieve a better returns of their funds.		N.I	
E	The organization develops an annual comprehensive operating plan which includes cost of programs, management and fund raising and all sources of funding. The plan is reviewed and approved by the trustees.	S		
R	The organization monitors unit cost of programs and services through the documentation of staff time and direct expenses and use of a process for allocation of management and general and fundraising expenses.	S		
E	The organization prepares fund flows projections of the programs		N.I	
E	The organization reconciles all cash accounts monthly.	S		
E	The organization has a review process to monitor that they are receiving appropriate and accurate financial information whether from a contracted service or internal processing.	S		
E	The organization has documented set of internal controls, including the handling of cash and deposits, approval over spending and disbursements.	S		
E	The organization has a policy identifying authorized check signers and the number of signatures required on check if excess of specified rupee amount.	S		
E	All expenses of the organization are approved by a designated person before payment is made.	S		
R	The organization has a written policy related to Capital expenditure.		N.I	
E	Employees, trustees and volunteers who handle cash and investments are bonded to help assure the safeguard of assets	S		
R	The organization has an annual, independent audit of their financial statements prepared by accountant.	S		
R	In addition to audit, the Chartered Accountants prepares management letter containing recommendations for improvements in the financial operations of the organization.	S		
R	The Board of trustees or an appropriate committee is responsible for soliciting bids, interviewing auditors and hiring an auditor for the organization.	S		

ALE IMRAN & CO.
Notes to accounts Chartered Accountants

For the year ended June, 30, 2008

1. STATUS AND ACTIVITIES

M/s. Transparency International Pakistan (TIP) an NGO registered as a Trust under the Laws of Pakistan and having offices at 5-C, 2nd Floor, Khayaban-e-Ithad, Phase VII, DHA, Karachi.

2. SIGNIFICANT ACCOUNTING POLICIES.

2.1. Accounting Convention

These Accounts have been prepared on the basis of the historical cost conventions.

2.2 Fixed Assets

These are stated at cost less accumulated depreciation. Depreciation is charged on reducing balance method at the rates prescribed in Note # 3 of the accounts. Depreciation is charged for whole year in the year of acquisition, where as no depreciation is charged in the year of disposal. Normal repairs and maintenance are charged off as they are incurred.

2.3 Foreign Currency Exchange Rate

Exchange rate of US \$ 1 = Rupees 68.69 & rate of Euro 1 = Rs. 107.24 as on June, 30, 2008 for reporting of bank balance maintained in US & Euro Account.

3. Fixed Assets Schedule.

Detail Schedule attached.

Detail of Payments

- 4. T I S
- 5. US AID
- 6. Swiss Agency for Development and Cooperation (SDC)



TRANSPARENCY INTERNATIONAL PAKISTAN

Balance Sheet

As on June 30th, 2008

Capital & Liabilities			Property & Assets		
Particular	Rupees 2008	Rupees 2007	Particular	Rupees 2008	Rupees 2007
Balance as on June 30th, 2008	16,414,891	4,174,660	Fixed Assets		
			Computer / Printer	105,198	150,283
			Laptop+Laser Printer+Scanner	17,861	25,515
			Facsimile Photocopier	15,232	19,040
			Stabilizer / UPS	8,792	9,769
			Air Conditioner	11,481	12,757
			Furniture & Fixture	14,018	15,576
			Multimedia Projector	54,709	78,155
			Office Premises	2,897,500	-
				-	-
				3,124,791	311,095
			Advance	-	305,000

Liabilities

Payable Account OWV	-	136,750
	-	136,750

Cash & Bank Balances

Main- Cash	21,439	7,908
ABL US\$ A/C # 0299-0	-	107,541
ABL Rs. A/C # 0496-4	-	75,770
KASB PKR A/C # 121	501,503	-
KASB PKR A/C # 001	97,861	-
KASB Trum PKR A/C # 121	12,000,000	-
Prime Bank Rs. A/C 15981	-	544,536
Prime Bank US\$ A/C 15992	-	1,363,194
Union Bank US\$ A/C 053	4,786	89,686
Union Bank Rs. A/C 001	183,823	62,783
Standard Chartered Bank	465,001	1,152,047
Union Bank Euro. A/C 052	15,687	291,850
	13,290,100	3,695,315
	16,414,891	4,311,410

TRUSTEE
SYED ADIL GILANI
CHAIRMAN - TIP



TRUSTEE
KHURRAM ABBAS
TREASURER - TIP



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TRANSPARENCY INTERNATIONAL PAKISTAN
Receipts & Payments Accounts
For The Year Ended June 30th, 2008

Receipts

TIS
USAID
SDC
DONATIONS
Total Receipts

Amount 2008	Amount 2007
161,758	1,168,857
1,467,322	1,649,932
16,972,619	3,200,000
562,750	973,000
19,164,449	6,991,789

Payment

TIS
USAID
SDC
Total Payments

21,295	1,657,245
1,413,650	1,559,384
5,141,599	3,588,302
6,576,544	6,804,931

Excess of Receipts over Payments

7) 12,587,906 186,858

19,164,449	6,991,789
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CHAIRMAN - TIP





TRUSTEE
KHURRAM ABBAS
TREASURER - TIP

