



ANNUAL 2017-18 REPORT

**Khyber Pakhtunkhwa
Revenue Authority**



**Government of
Khyber Pakhtunkhwa**

Towards Self Reliance



ANNUAL 2017-18 REPORT

**Khyber Pakhtunkhwa
Revenue Authority**



We facilitate tax payers and strive to make khyber Pakhtunkhwa self-reliant.

To contribute substantially to provincial own receipts through improved tax administration and voluntary tax compliance



Integrity
Transparency
Fairness
esprit de corps



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Message of Chief Minister

I am pleased to glance through the Annual Report 2017-18 of the Khyber Pakhtunkhwa Revenue Authority. The report sheds light on several impressive achievements of the Authority throughout the year which re-enforces the fact that KPRA is progressively heading towards its declared vision, mission and organizational goals.



In countries like Pakistan, the overwhelming importance of revenue mobilization in the achievement of government's socio-economic development goals need not to be over-emphasized especially in a federal set-up where responsibilities of the subnational governments in the discharge of developmental and welfare functions have over the passage of time much increased both in volume and diversity. The continuous growth in KPRA's revenue collections over the years ever since its inception, demonstrates, on the one hand, the high degree of professional competence and efficiency of KPRA as one of the core responsible institutions of the Khyber Pakhtunkhwa Government and on the other hand, it shows the fast growing confidence of tax payers' community in the fiscal and allied policies and institutional reforms initiatives of the provincial government.

I congratulate the Director General and his team for their excellent performance and efforts in making KPRA an efficient and dynamic tax administration authority. I am hopeful that KPRA will work further hard to become an efficient, just, equitable and broad-based tax collection agency enabling the Khyber Pakhtunkhwa province to overcome its multiple resource challenges in time to come.

Mahmood Khan
Chief Minister, Khyber Pakhtunkhwa
Chairman, Policy Making Council, KPRA

Message of Minister Finance

It gives me immense pleasure to comment on the performance and achievements of Khyber Pakhtunkhwa Revenue Authority for the FY 2017-18.

Socio-economic development primarily depends upon the timely mobilization of governmental resources and Khyber Pakhtunkhwa is no exception to this universal rule. The present Khyber Pakhtunkhwa Government is fully aware that in this modern age of science, technology and human ingenuity, opportunities and avenues for accelerated and sustainable development are multifold and the only important thing for the government is to set its development-related priorities and arrange the needed resources to translate its priorities into real world realities. Hence, availability of proper fiscal space is must for the government to fast run on the path of development and economic growth.



After the 18th Constitutional Amendment, the provinces have been empowered to generate their own new resources and play their due role in the overall development of the country. In order to achieve this cherished goal, the pivotal significance and role of KPRA cannot be undermined. It will in fact further increase in time to come. The Khyber Pakhtunkhwa province is well cognizant of the fact that KPRA will perform a very crucial role in the future development, progress, prosperity and welfare of the province.

I realize that so far, KPRA has done substantial hard work and delivered very commendable output in the form of revenue collection despite the severity and multiplicity of challenges it faced during its formative phase. But one must not rest on one's laurels. The revenue growth potential in the province is immense which needs to be identified, pursued and mined with unremitting perseverance and dedication. I hope KPRA will do its further and utmost best to strategically plan for geographical and sectoral expansion.

I wish DG KPRA and his team for higher professional excellence, operational resilience and exemplary success in time to come.

Taimur Saleem Khan Jhagra
Minister Finance, Khyber Pakhtunkhwa
Member, Policy Making Council, KPRA

Statement of Director General

It is a matter of great pleasure and privilege for me to present the 2nd statutory Annual Report of Khyber Pakhtunkhwa Revenue Authority (KPRA) highlighting its overall performance and achievements during the year 2017-18.



Since its establishment in 2013, KPRA has institutionally progressed quite well despite several impediments and difficulties usually faced by the evolving tax collecting organizations in cultures less prone to responsive tax compliance. In few years of its existence, KPRA has soon emerged as the largest revenue collecting body for the province of Khyber Pakhtunkhwa.

KPRA is however, still in the developing and maturation stage and is somewhat behind the level of performance generally expected by the higher echelons while comparing its achievements with its counterparts in other provinces of the country. But keeping in view the historical trends especially in respect of the period when sales tax on services was administered centrally, the current revenue growth trajectory of KPRA optimistically seems to be on the right track and it is strongly expected that with the recent institutional development moves, tax base broadening efforts and professional capacity building measures, KPRA will soon be in position to jack up its performance more efficiently and more visibly in the years to come.

During 2017-18, KPRA along with achieving its revenue targets took several measures to expand tax coverage besides building up a strong confidence of the taxpayers in the KPRA's judicious tax management system. The continuous untiring efforts, hard work and commitment of the KPRA team working under the overarching guidelines of the Policy Making Council also made it possible to realize the assigned targets.

Policy Making Council in fact reposed immense confidence in the KPRA's team appreciating its professional dedication and devotion. I wish to record my sincere gratitude to the Council's Chairman and its other respectable members for their continued encouragement, support and guidance to KPRA's team. I am confident that consistency in policies will be maintained in the years to come leading to further result-producing improvements in tax administration and tax collection and eventually promoting sustainable economic development and prosperity in the province of Khyber Pakhtunkhwa.

Muhammad Tahir Orakzai
Director General, KPRA
Secretary, Policy Making Council, KPRA

Key Facts and Figures



1 KPRRA at a Glance



1.1 Key Facts and Figures

KPRRA was established in August 2013. It initially targeted 11 service sectors as inherited straight from FBR period. Despite being a new born tax organization, KPRRA succeeded to collect Rs. 6.02 billion in the first year. Over the years, KPRRA carefully managed to progressively expand its tax base by bringing new services into tax net and by 2017-18, the number of taxable services touched 91.

Progressively, KPRRA had collected Rs. 40.677 billion till the close of FY 2018 and contributed 61% of the total provincial tax receipts and 33% of own source revenues (tax + non-tax). Despite several constraints of strategic institutional direction and limited human and other resources, KPRRA was able to maintain an average growth rate of 16% during the four years.

In comparison to other tax collecting entities in the province, KPRRA was able to keep its tax collection cost below 0.65% due to reliance on IT-based revenue collection system especially in the documented and semi-documented sectors. This reinforces the importance of automated processes in tax administration which not only brings efficiency but also enhances accountability and transparency of the tax management system.

Despite inclusion in Schedule-II, revenue was not realized from the following major sectors due to protracted court stay orders:

- Medical Practitioners and Consultants
- Legal Practitioners
- Contractors and Engineering Consultants

Additionally, ride hailing services were added to Schedule-II in the Finance Act, 2017, but due to disputes on their classification under modern business categorization system, tax rate suitability and tax assessment mechanism, no revenue could be reaped from major companies like Uber and Careem.

Special efforts were made to strengthen the auditing capacity of the Authority and in this regard audit guidelines and sectoral notes were prepared. In collaboration with international development partners dedicated notes on telecom sector were prepared which will enable officers of the Authority to effectively conduct audit of telecom sector which is a major revenue contributor. Besides, the Authority also planned to prepare sector notes for other critical sectors such as banks, insurance and oil & gas etc.

As per the requirement of the Finance Act 2013, the Policy Making Council (PMC) of KPRA is required meet at least once every six months. During the year under review, two meetings (August 2017 & January 2018) under the chairmanship of the Hon'ble Chief Minister of Khyber Pakhtunkhwa were held wherein the overall performance of the Authority was thoroughly reviewed and several strategic decisions were taken aimed at rapid institutional strengthening of KPRA.



Resultantly, recruitment process of KPRA staff including Assistant Collectors, Assistant Directors, Inspectors and Senior Auditors etc. was initiated and completed by January 2018. This quick human mobilization efforts of KPRA were duly recognized and appreciated by the Policy Making Council.

Under a democratic environment especially in countries like Pakistan where public enlightenment about the rule of law and human rights is fast increasing, tax payers' awareness and facilitation plays a very important role in the governmental efforts for stable and reliable revenue mobilization. In line with its policy of creating ease of doing business, the Authority in collaboration with the World Bank established two Tax Facilitation Centers in Peshawar and Abbottabad. Besides, at its own level, the Authority launched its own state-of-the-art website placing more detailed information online for the tax education and compliance-related guidance of the tax payers.

Providing right of appeal to the tax payers is *sine qua non* of any tax system. Accordingly, an independent Collectorate of Appeals was established and a senior retired judicial officer was recruited as Collector of Appeals. The forum of Appellate Collector has provided a good platform to the taxpayers who feel aggrieved with decisions of the tax managers.

2 Revenue Collection Analysis



2.1 Performance Overview

During 2017-18, initially a target of 13.6 billion was fixed for KPRA, which was subsequently revised to Rs. 12.5 billion. The revised target represented an increase of 22% over the previous year's collection, although it indicated higher side increase of 25% as compared to the target of 2016-17. KPRA's actual collection, however, remained Rs. 10.91 billion. Excess collection during 2016-17 vis-e-vis the allocated target was due to recovery of past revenue stuck up in litigations.

During 2017-18, KPRA struggled quite hard to more productively explore seven sectors other than telecom and registered growth higher than the earlier year's collections. These sectors included services-related businesses of work contracts, manpower recruitment, intercity goods transport, land & property development, construction, motor vehicle dealerships and professional & technical consultancies.

In comparison with provincial revenue collection entities, KPRA contributed 61% of total revenue collections in the province, followed by BOR 18%, ETNC 16%, Transport 4% and E&P 1%

2.2 Year-wise Revenue Collection

Year-wise Revenue Collected (In Billions)



The graph shows an increase of 7% growth rate as compared to previous year.

2.3 Target vs Collection Trend



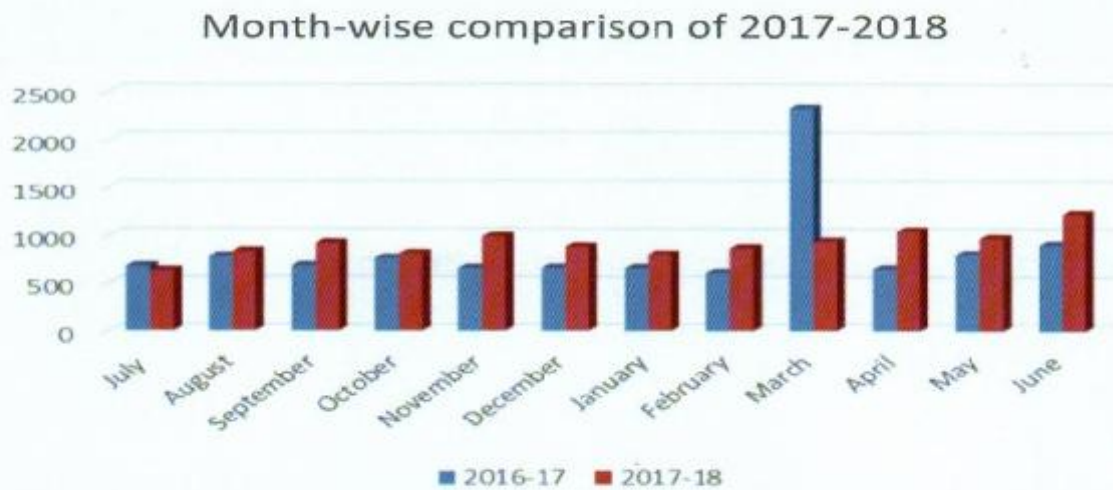
A continuous increase in actual collection is visible during the five years (2013-18) whereas the targets fixations remained fluctuating.

2.4 Sector-wise Growth Rate 2017-18



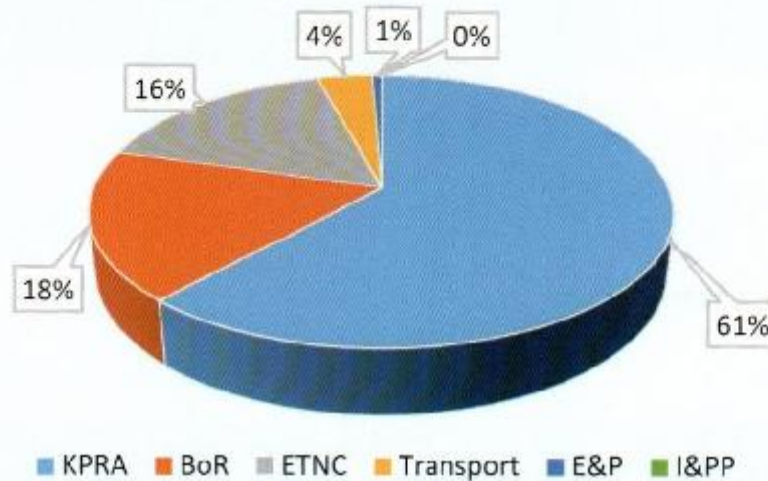
There are seven areas where revenue collection shows an increase in comparison to previous year and all these areas relate to sectors other than telecom.

2.5 Month-wise Comparison of 2017-18



There is continuous monthly increase in revenue collection with comparison to previous year.

KPRA's Share in Provincial Tax Receipts 2017-18



KPRA's contribution in the total provincial revenue remained at 61% during 2017-18.

3 Budget Estimates and Revised Estimates 2017-18 (Expenditure)



Like any other new tax collecting organization, KPRA too needed proper encouragement and support from the government. With its institutional consolidation and expansion in operational coverage, the resource needs of KPRA continued increasing during its early formative period. But due to regulatory constraints, its budgetary expenditures usually remained below the funds provided by the government. It is however, anticipated that with the expansion in tax base and intensification of tax monitoring and compliance enforcement, KPRA will need more resources for its operational upscaling, institutional upgradation, modernization and revenue optimization.

For the year 2017-18, the Finance Department allocated budget of Rs. 400 million for KPRA's operational expenditure. The estimates were revised downward to Rs. 315 million. However, only Rs.141.661 million were released to designated assignment account. Adhering to the austerity-aimed principles of public spending and to keep the tax collection cost at minimum possible, KPRA spent only Rs.141.612 million during the year. The savings of Rs.173.339 million were eventually surrendered.

Major object-wise details of the budget estimates, revised estimates and actual expenditure are given below:

(Amount in Rupees)

Particulars	Budget Estimates	Revised Estimates	Actual Expenditure
Employees-related expenditure	201,361,000	139,353,365	71,281,330
Operating expenditure	113,472,000	97,439,807	36,281,856
Pension contribution	23,567,000	17,968,565	4,757,781
Transfer Payments	1,200,000	1,319,869	395,896
Physical Assets	54,000,000	54,003,200	28,006,930
Repair & Maintenance	6,400,000	4,915,894	887,802
Total Expenditure	400,000,000	315,000,000	141,611,595

As a mandatory requirement under the Khyber Pakhtunkhwa Finance Act, 2013, KPRA has compiled its annual account and prepared financial statements i.e. statement of assets and liabilities, statement of receipts and expenditure and statement of budget vs actual expenditure (Appropriation Account) for the year 2017-18 in accordance with the International Public-Sector Accounting Standards (IPSAS). The financial statements are annexed at the end of this report.

4 Audit and Accountability

4.1 External Audit

The Khyber Pakhtunkhwa Finance Act, 2013, requires the Auditor General of Pakistan to annually audit the accounts of KPRA. The Director General Audit Khyber Pakhtunkhwa, on behalf of the Auditor General, has conducted Performance Audit of both revenue receipts and expenditure of the Authority. The Auditors have examined the overall performance of the Authority during the past five years (2013-14 to 2017-18).

Report of the Auditors was received and attended to by KPRA as one of the principal work priorities. Annotated replies to the audit observations have been prepared and discussed in the Departmental Accounts Committee. Being a professional organization, KPRA takes both statutory audit and performance audit as a learning platform for the optimal refinement of its internal operations and external connectivity.

KPRA always appreciates and welcome timely conduct of external audit taking it as a time-tested tool for institutional transparency and accountability. This approach reflects the degree of seriousness of the KPRA's sense of responsibility as a major revenue collecting institution of the province of Khyber Pakhtunkhwa.

4.2 Tax Audit

Under VAT-like sales taxation, audit is one of the most popular and effective tool to secure the tax compliance accuracy standards. Besides identifying and recovering non or short payments, audit creates a long-lasting deterrence against mischiefs of the businesses prone to financial manipulations. Tax audit monitors the taxpayers beyond their tax declarations. Primarily, tax audit function consists of examining the accuracy of data, documents and other information declared by the taxpayers in their monthly returns and allied statements and verify as to whether or not they have correctly and completely worked out, assessed and reported their tax liabilities and fulfilled other ancillary obligations.

Audits are used to detect and redress individual cases of non-compliance. Sometimes, whole sector is covered by selecting taxpayers on the basis of size-related classification. A good audit is always based upon such R&D-based knowledge and skills as is obtained or achieved by

studying market dynamics of the businesses and their vulnerabilities to documentary or other orchestrations. Audit always promotes voluntary compliance because of its usefulness in unearthing violations and infringements. Similarly, audits provide a good opportunity for the tax administration to educate the taxpayers about their legal obligations including record maintenance and documentation requirements. Audit also provides a unique opportunity to gather information on both the health of tax system and its processes and tax avoidance or evasion techniques used by taxpayers.

4.2.1 Legal framework

Section 49(2) of the Khyber Pakhtunkhwa Finance Act, 2013 empowers the officers of KPRA to have access to all books and records including electronic data of the taxpayer.

Section 50 of the Act allows the officer authorized by KPRA to conduct audit of the registered persons and issue audit observations pointing out the contraventions of the Act or the rules and regulations issued thereunder and proceed towards the recovery of the tax amounts evaded or short paid.

4.2.2 Audit Performance

Three audit teams consisting of Senior Auditors and Inspectors headed by the Assistant Collector of the respective units conducted desk audit of 37 taxpayers and withholding agents. They issued audit reports. Reasonable opportunity was provided to the taxpayers to defend their position and provide evidence to satisfy the adjudicating officers. The proceedings were carried out according to law by issuing show cause notice and assessment orders. Recovery of Rs. 76.372 million was made in the above cases under section 87 of the Act. In a tax management system mainly working through the ultramodern application of digital technologies, desk audit is a preferred measure for monitoring the taxpayers' population with limited human resource. KPRA will in due course expand the scope of field Audit and detail audits once its technical manpower deficiencies are cured properly. KPRA will surely develop its audit capacity through dedicated human resource development under rigorous training programs.

5 Collectorate of Appeals

The object of introducing forum of appeal in tax administration is manifold. It on the one hand provides the facility of grievances redressal to the tax payers and on the other hand maintains a check, within the organization, on the decisions and orders of officers of the organization.

Section 56 of the Khyber Pakhtunkhwa Finance Act, 2013, provides for the appointment of Collector (Appeals) in the Khyber Pakhtunkhwa Revenue Authority. Under the KPRA Employees (Appointment, Promotion and Transfer) Regulation, 2017, the Policy Making Council is the

appointing authority for the Collector (Appeals). The powers and functions of Collector (Appeals) have been laid down in Chapter IX Part 3 of the Act.

The Collectorate of Appeals was established vide KPRA's notification No. KPRA/GN/658-63 dated 08-05-2017. After completing the recruitment process, the Collector (Appeals) was appointed on 22-01-2018. However, the ministerial staff for the Collectorate was appointed on contract basis. Proper office accommodation, transport facility and office equipment was provided besides the requisite stationary items including specified registers usually required to be maintained under semi-judicial work scheme.

During the period from 19th January, 2018 to 30th June, 2018, only four (04) appeals were lodged. Status of these appeals on 30th June, 2018 is given in the table below.

S.No	Appeal No.	Appellant	Filing Date	Status on 30 - 06-2018S	Remarks
01	01-C(A)/2018	Telenor Pakistan Pvt Ltd.	09-03-2018 21.12.2017	Decided on 23.04.2018	
02	02-C(A)/2018	Izhar Construction Pvt Ltd.	04.06.2018	Pending	Decided on 02.08.2018
03	03-C(A)/2018	Zealcon Enterprises.	06.06.2018	Pending	Decided on 13.08.2018
04	04-C(A)/2018	Unique Enterprises.	07.06.2018	Pending	Decided on 13.08.2018

6 Key Initiatives >>

6.1 Broadening of Tax Base

Identification of Potential New Taxpayers and Issuance of Notices: KPRA has been trying to collect, maintain and update data regarding potential taxpayers not registered and not complying with Khyber Pakhtunkhwa sales tax law. On the basis of data so collected, the following notices were served on the newly identified businesses:

S. No	Taxpayer Category	No. of Notices
1	Withholding agents (companies)	522
2	Withholding agents (Govt. departments)	50
3	Hotel and wedding halls	250
4	Manpower recruitment businesses	171
5	Security agencies	91
6	Custom clearing agents	204
7	Doctors & medical practitioners	775
8	Lawyers	262
9	Rent-a-car companies	22
10	Property dealers/developers	122
11	Software & IT-based developers	37
12	Motor vehicle workshops	13
13	Travel and tour operators	108
14	Accountants and auditors	24
	Total:-	2651

The number of registered (e-enrolled) tax payers during the year reached at 3909 comprising regular, seasonal and occasional tax filers. It is worth noting that at the time of devolution during 2012-13, the number of regular filers with FBR was only around 200 with yearly realized collection of Rs. 4.27 billion.

6.2 Tax Survey and Revenue Forecasting

The World Bank through the Governance and Policy Project (GPP) is supporting the Provincial Government of Khyber Pakhtunkhwa as well as the Authority in multi-disciplined technical

areas towards better institutional development and optimal revenue mobilization. One of the areas where GPP has consented to support the Authority is physical survey of potential tax payers and rationalized tax revenue forecasting in service sectors of Khyber Pakhtunkhwa. In this regard, Economics Department, University of Peshawar was engaged and a pilot survey regarding hospitality, advertisement and goods transport sectors in Peshawar and Abbottabad Districts was conducted.

The data gathered through GPP's supported survey was carefully analyzed and systematically used to bring genuine new taxpayers in KPRA's registration base.

6.3 Awareness Campaigns

6.3.1 Tax Knowledge Workshops

The Authority obtained data about operational hotels and restaurants in Narran Valley through secondary source and served notices for mandatory registration which received positive response. However, as the area was remote with limited access to telecommunication and IT facilities or even banking facilities, a series of physical visits to the area were undertaken and informative workshops were held in order to educate the hotel and restaurant owners about their obligations towards sales tax on services and their role in improving the provincial tax revenue and contributing towards the socio-economic development of the province.

A close liaison was established with all hotels and restaurants located in Narran Valley. Resultantly revenue collection from the area has increased manifold and is likely to remain so in future.

6.3.2 Radio & TV Advertisements

Paid advertisements were run on different TV and radio channels motivating the general public to pay sales tax on services received and provided by them. The businesses were attracted to obtain registration and start paying sales tax on services provided or rendered by them. Procedure of registration and filing of return was also briefly described in the advertisements. These advertisements, which will of course be periodically repeated in future, produced two healthy effects on public mind, i.e., they enhanced general public awareness about the importance of tax in the society's development process and attracted new voluntary registrations carrying commitments for future compliance.

7 Challenges and Way Forward >>

7.1 Challenges (Issues)

- Dual task of accelerated institutional development as well as meeting the assigned revenue targets demanded from KPRA through the use of effective instruments of strong strategic administrative planning and focused implementation.
- Non-availability of trained staff posed a great problem for KPRA to bring tax monitoring at the productive standard comparable to the level envisaged under the ideal VAT doctrines and norms.
- Pakistan is one of the countries which is unfortunately deficient in business documentation. The province of Khyber Pakhtunkhwa has also been facing crucial issue of non-availability of data about the businesses and commercial activities. The position about service sector businesses is more deplorable. KPRA faced tremendous difficulties in identifying registrable service sector businesses. However, the limited third party resources were used besides externally sponsored limited scale surveys.
- Credibility of the data gathered from different sources also posed a serious problem as most of the quarters from whom data was received did not have any reliable system for data validation or revalidation. Non-corporate service sector businesses have peculiar commercial characteristics one of which being avoidance to document the transactions either due to lack of required literacy level or shun and by-pass the enforcement interventions from the regulatory or taxation authorities.
- Non-availability of required degree of technically trained or tax-experienced manpower together with non-responsiveness of the businesses created serious difficulties for KPRA in establishing any meaningful or productive communication relationship thereby creating a communication gap scenario.
- Every new tax system faces a challenge of hostile litigations perhaps because of the fact that people generally tend to avoid documentation of their commercial activities for as longer period as possible. Besides, the businessmen can afford to pay handsome fee for pursuing their cases in courts, while KPRA being a government organization is not in position to pay exuberant fee amounts to its lawyers. Even otherwise government departments are generally not allowed to engage lawyers from open market. They have to rely on a limited pool of counsels.

- During 2017-18, KPRA was working under supervisory control of ET&NC department. Excise taxation modal is traditional in character and follows time-consuming procedures and processes. Excises are mainly for regulatory purposes and are not in this modern age used a cherished or preferred source of revenue. Hence, excises generally lack innovation and rely more heavily on traditional tax administration tools. Resultantly, decisions on VAT-like sales tax matters were also taken at slower pace. KPRA did suffer due to such traditional mode of decision making even in situations demanding urgent actions.
- Being a modern fiscal innovation, VAT-like sales tax is an ultra-specialized field. Although KPRA has established a full-fledged Collectorate but due to non-availability of requisite trained professional manpower especially at operational level, KPRA continued facing a serious threat to its overall efficiency and the expectations associated with the outcome and output of the Collectorate's working.
- In case of VAT, audit is one of the fundamental tools to ensure compliance and to fill up the revenue receipt gaps. Throughout the year, KPRA's tax audit capacity remained inadequate posing a great challenge to combat against the misdeeds of the businesses operating in service sector regimes considered risky from tax management point of view.
- Proliferation of tax coverage by and large depends upon the outreach (permanent physical presence coupled with close monitoring with any undue physical contact) of the tax administration. During the year largely because of factors beyond its control, KPRA faced multiple outreach issues. Its operations especially in non-corporate business regimes remained mostly confined to the provincial capital.
- In countries like Pakistan where implementation of business regulatory laws is not up to the required mark and where mobilization of business capital is a difficult choice, mushrooming of unorganized sector commercial activities is but a natural corollary. Everywhere in the developing world, enforcement of tax laws in informal sector businesses' regimes poses serious problems. KPRA's efforts were not exception to this inarguable universal reality.
- At the time of establishing KPRA, agreement was signed with PRAL by the Excise Department. Due to contractual constraints, PRAL could not undertake several system upgradation and inter-jurisdictional (especially with FBR) real time connectivity measures with the result that KPRA could not amplify or diversify its system-based monitoring techniques. With several amendments, a fresh agreement with PRAL was accordingly signed as per Finance Act, 2013.

- KPRA has always welcomed external audit of its revenue receipts and expense budget but unfortunately most of the external auditors too were not well acquainted with the laws and dynamics of VAT mode of taxation. Several audit observations remained under serious disputes (difference of technical opinion) between KPRA and the officers of Director General Audit. KPRA had to spend substantial time and energy on tackling the external audit observations at the cost of its other revenue collection-related important work.

7.2 Way Forward

- Development of KPRA strategic plan.
- Merit-based recruitment and sound training/capacity building of human resources.
- Inter-Revenue Authorities Coordination.
- Development of a mechanism for data sharing with FBR for cross verification of input tax adjustment.
- Fulfilment of requirements of physical resources including IT & office equipments and operational purpose logistics.
- Collection, scrutiny, analysis and utilization of third party data for broadening of tax base across the province.
- Focused follow-up of appeal and court cases.
- Reinvigoration of multi-pronged drive for increasing registration, enforcement and audit to identify and fill in registration and tax compliance gaps.
- Expediting adjudications and consequential recovery of adjudged tax amounts.
- Establishment of Appellate Tribunal.
- Threadbare review, updation and re-legislation of laws relating to KPRA and sales tax on services.
- Development and implementation of real time IT-based monitoring system featured with automated invoice monitoring mechanisms.
- Designing and implementation of intelligence-based information gathering system and performance-related incentives' system.
- Localization of strong IT-based self-monitoring tax management system.
- Sustained communication drive for informed compliance.



Annexure-1:

Financial Statements

Annexure-1: Financial Statements

STATEMENT OF ASSETS AND LIABILITIES AS ON 30, JUNE, 2018 (Amount in rupees)

CURRENT ASSETS	2017-18	2016-17
Cash and bank Balance	--	24,500
Receivables	135,416	135,416
Total Current Assets	135,416	159,916
NON-CURRENT ASSETS		
Physical Assets	73,578,607	45,571,677
TOTAL ASSETS	73,714,023	45,731,593
CURRENT LIABILITIES		
Payables	5,066	5,066
Total Current Liabilities	5,066	5,066
TOTAL LIABILITIES	5,066	5,066
RESIDUAL EQUITY	73,708,957	45,726,527
TOTAL RESIDUAL EQUITY & LIABILITIES	73,714,023	45,731,593

STATEMENT OF RECEIPTS AND EXPENDITURE FOR 2017-18 (Amount in rupees)

	2017-18	2016-17
RECEIPTS		
Grant in Aid		
i. Allocation	315,000,000	110,000,000
ii. Less amount surrendered	173,339,337	8,200,000
Amount Released	141,660,663	101,800,000
Departmental Receipts	--	--
TOTAL RECEIPTS	141,660,663	101,800,000
EXPENDITURE		
Employee Related Expenses	71,218,330	27,359,697
Operating Expenses	36,281,856	51,166,739
Pension Contribution	4,757,781	2,466,293
Transfer Payments	395,896	90,174
Physical Assets	28,006,930	19,684,062
Repair & Maintenance	887,802	879,294
Advances		30,000
Total	141,611,595	101,676,259
Saving lapsed	49,068	123,741

COMPARISON OF BUDGET AND ACTUAL FOR 2017-18 (APPROPRIATION ACCOUNT)
(Amount in rupees)

	Budget Estimates 2017-18	Revised Estimates 2017-18	Actual 2017-18
Receipts			
Grant in aid	400,000,000	315,000,000	141,660,663
Departmental Receipts	--	--	--
Total Receipts	400,000,000	315,000,000	141,660,663
Expenditure			
Employee Related expenditure	201,361,000	139,353,365	71,281,330
Operating expenditure	113,472,000	97,439,807	37,281,856
Pension contribution	23,567,000	17,968,565	4,757,781
Transfer Payments	1,200,000	1,319,869	395,896
Physical Assets	54,000,000	54,003,200	28,006,930
Repair and Maintenance	6,400,000	4,915,194	887,802
Advances			
Total Expenditure	400,000,000	315,000,000	141,611,595

“Taxes provide essential public revenues for governments to meet economic and social objectives”

Director General KPRA



📍 KPRA Headquarters, Near Railways Track, Phase-3 Chowk Hayatabad, Peshawar.

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