



**National School of Public Policy**



# **REPORT**

**DIRECTORS' TRAINING PROGRAM**

**05-09 AUGUST, 2024**

held at the  
**EXECUTIVE DEVELOPMENT INSTITUTE**  
of the  
**NATIONAL SCHOOL OF PUBLIC POLICY**

87-Shahrah-e-Quaid-e-Azam, The Mall, Lahore  
[www.nspp.gov.pk](http://www.nspp.gov.pk)



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## **National School of Public Policy**

The National School of Public Policy is the premier national institution for training civil servants in Pakistan. It aims at building their capacity for undertaking policy formulation and implementation tasks at tactical, operational, and strategic levels. The School's training methodology aims at an environment of intellectual freedom amongst participants for investigative analysis, a spirit of rational inquiry, and a genuine desire to seek knowledge. The overarching aim of the NSPP is to improve the quality and effectiveness of public policy and its implementation and management in Pakistan by improving the quality of in-service training and continuous professional development of officers, executives, and associated partners.

## **Executive Development Institute**

The Executive Development Institute (EDI) is an integral unit of NSPP that provides a platform for exchanging knowledge and ideas between public and private sectors. EDI focuses on critical policy issues to promote a better understanding and cooperation between various sectors of the State. The Institute is engaged in the continuous professional development of executives/officers/faculty/ of the public and private sectors through training sessions, workshops, and policy dialogues. The overarching aim of EDI is to promote knowledge responsive to the contemporary economic and social challenges, which can better be dealt with robust governance response. EDI is also collaborating internationally with renowned institutions to scale the outreach of training programs nationally and internationally. It has successfully conducted a range of programs on various topical issues of national importance.

## **Directors' Training Program**

A Directors' Training Program typically focuses on developing the skills and knowledge required for effective leadership in an organization. This kind of program is essential for both new and experienced directors, aiming to enhance their strategic thinking, governance, and management capabilities. Key Components of a Directors' Training Program includes Governance and Compliance, Strategic Leadership, Board Dynamics and Leadership, Financial Acumen, Human Resources and Organizational Culture, Strategic Communication and Mentoring and Networking.

## **The Speakers and Participants**

The National School of Public Policy (NSPP) has been authorised by the Securities and Exchange Commission of Pakistan (SECP) to conduct the Director's Training Program (DTP). This program is designed to cover the thematic areas as instructed by SECP. NSPP offered this five-day course at its state-of-the-art campus, featuring top-level facilities for an optimal learning experience. The Course attracted a large number of participants belonging to various Ministries/ Institutions /Civil Services of Pakistan ranging from Pakistan Administrative Services, Police Service of Pakistan, Office Management Group, Provincial Management Service, Faculty of NIM Lahore & Islamabad and Kinnard College.

## **Directors' Training Program (DTP) Day-1**

**Mr. Asad Feroze**

### **Introduction to Corporate Governance**

Mr. Asad Feroze explained the corporate governance refers to the systems, principles, and processes by which a company is directed and controlled. It encompasses the practices and procedures that ensure a company operates in a transparent, accountable, and ethical manner, balancing the interests of all stakeholders, including shareholders, management, customers, suppliers, and the community. This lecture helped in understanding that implementing strong corporate governance practices is crucial for maintaining a company's integrity, ensuring effective oversight, and achieving sustainable success.

**Mr. Ahmad Nazir Warraich**

**Mr. Waleed Khalid**

### **Salient Features of Company Law, Overview of the Companies Act, 2017 and Code of Corporate Governance**

Mr. Ahmad Nazir Warraich and Mr. Waleed Khalid discussed the legal regulatory framework and the salient features of Company Law, Overview of the Companies Act, 2017 and Code of Corporate Governance. They also briefed the audience on the company law as it provides the legal framework for the formation, management, and dissolution of companies. The salient features typically includes company formation and registration, corporate structure, corporate governance, financial reporting and auditing, share capital and dividends, corporate compliance and penalties, company meetings and resolutions and dissolution and liquidation.

The Companies Act, 2017 was discussed as the primary legislation governing companies in Pakistan. Some key aspects of Companies Act, 2017 are modernized legal framework, company formation, corporate governance, financial reporting, shareholders' rights, compliance and enforcement.

**Dr. Yasir Mehmood**

**Profitability and Shareholders' Value**

Dr. Yasir discussed that a company that focuses on maximizing shareholder value is more likely to generate attractive returns for investors. Executives of publicly traded companies are expected to prioritize shareholders' interests by making decisions that increase shareholder value.

While creating and increasing shareholder value is undoubtedly important, it's not unusual for disagreement to arise among shareholders and a company's management about which specific actions would increase shareholder value the most.

**Mr. Ahmad Nazir Warraich**

**Advocate Saroop Ijaz**

**Protection against Harassment of Women at the Workplace Act 2010**

Mr. Ahmad Nazir Warraich explained, The Protection Against Harassment of Women at the Workplace Act, 2010, is a Pakistani law designed to safeguard from harassment in the workplace. It mandates the creation of internal mechanisms for reporting and addressing harassment, including the establishment of a complaint committee within organizations. The Act outlines process for investigating complaints, providing support and protection to victims. It emphasizes the importance of creating a safe and respectful work environment by mandating that employers implement preventive measures.

Advocate Saroop Ijaz shared the verdicts on some cases related to the harassment and discussed the different angles of the act.

**Mr. Tariq Bajwa**

**Directors' Fiduciary Duties and Procedure of Election, Retirement and Removal of Directors'**

Mr. Tariq Bajwa discussed that Directors' fiduciary duties require them to act with loyalty, care, and in the best interests of the company, prioritizing the company's welfare over personal interests. They must avoid conflicts of interest, exercise independent judgment, and act prudently in decision-making. The procedure for the election, retirement, and removal of directors typically

involves formal processes outlined in company by-laws and applicable corporate laws. Directors are elected by shareholders at general meetings, usually based on nominations and voting. They retire according to a set schedule or rotation plan and may be re-elected. Removal of directors can occur through a shareholder resolution or as stipulated by company policies and legal requirements, often necessitating grounds for removal and adherence to procedural fairness.

## **Directors' Training Program (DTP) – Day 2**

### **Mr. Tariq Bajwa**

#### **Board Composition and Diversity + Appointment of CEO, Role and Responsibility, Liabilities of Independent Directors**

In this session, Mr. Tariq Bajwa talked about the effective board composition and diversity which are essential for robust governance and an effective board. The CEO appointment process is crucial for aligning leadership with strategic goals, and independent directors must navigate their responsibilities carefully to avoid legal liabilities. Independent Directors must ensure their role in improving corporate credibility and governance standards by working as a watchdog and help in managing risk.

### **Mr. Iftikhar Taj**

#### **Board and Ethical Obligations**

Mr. Iftikhar Taj explained about the boards of directors have crucial ethical obligations to ensure effective governance, which includes maintaining a diverse and balanced composition to reflect a wide range of perspectives and experiences. They must uphold fiduciary duties of care and loyalty, acting in the best interests of the company and its shareholders while avoiding conflicts of interest. Ethically, boards are responsible for implementing robust policies, overseeing management practices, and ensuring transparency and accountability.

### **Mr. Kamran Kamal**

#### **Formulation & Implementation of Corporate Management Strategies**

Mr. Kamal spoke about the formulation of strategies, setting goals and determine KPIs for measuring objectives, determine roles and responsibilities, assign tasks, execute tasks, monitor progress and performance, make necessary revisions, complete implementation, and review the process.

The process begins with strategy formulation, where leadership conducts a thorough analysis of internal and external environments, sets strategic priorities, and establishes clear, actionable goals.

This involves assessing market opportunities, competitive dynamics, and organizational strengths and weaknesses. Once formulated, the strategy moves into the implementation phase, where specific plans and initiatives are developed, resources are allocated, and responsibilities are assigned to ensure alignment with the overall strategic vision.

## **Dr. Yasir Mehmood**

### **Board Responsibilities and Challenges + Performance Evaluation of Board & Committees**

Dr. Yasir Mehmood discussed that the board of directors is responsible for overseeing the company's strategic direction, ensuring effective governance, and safeguarding shareholder interests, which involves setting high-level objectives, approving major decisions, and providing oversight of management. Key challenges include balancing diverse stakeholder interests, managing risks, navigating regulatory changes, and ensuring board effectiveness amidst evolving market conditions. To ensure accountability and effectiveness, boards must regularly evaluate their own performance and that of their committees. This evaluation process involves assessing the board's strategic contributions, decision-making processes, and overall governance practices, as well as examining the performance of individual directors and committees in fulfilling their roles.

## **Dr. Hamid Ateeq Sarwar**

### **AML (Anti-Money Laundering) For Governance**

In this session, Mr. Sarwar shared the efforts to combat money laundering to prevent criminals from laundering illicit funds through the financial system. Effective AML governance requires companies to establish comprehensive policies and procedures, including rigorous customer due diligence, transaction monitoring, and reporting of suspicious activities. The board of directors plays a crucial role in overseeing AML compliance, ensuring that adequate controls are in place and that staff are trained to recognize and report potential money laundering activities. Regular audits and reviews are essential to assess the effectiveness of AML measures and to adapt to evolving regulatory requirements and emerging risks.

He also talked about the impact of corporate governance on mitigating money laundering, analyse the effectiveness of regulatory measures in combating money laundering, and identify the challenges associated with implementing these regulatory measures.

## **Directors' Training Program (DTP) Day-3**

**Mr. Usman Tahir Farooqi**

### **Understanding and Interpretation of Financial Statements**

Mr. Usman Tahir Farooqi explained about understanding and interpreting financial statements by analyzing key documents—namely the balance sheet, income statement, and cash flow statement—to assess a company's financial health and performance. The balance sheet provides a snapshot of assets, liabilities, and equity at a specific point in time, while the income statement details revenues, expenses, and profits over a period. The cash flow statement outlines the sources and uses of cash, highlighting the company's liquidity and operational efficiency. Effective interpretation requires grasping how these statements interrelate, evaluating financial ratios and trends, and understanding the impact of accounting policies and estimates. This analytical process enables stakeholders to make informed decisions regarding the company's profitability, solvency, and overall financial stability.

**Mr. Usman Tahir Farooqi**

### **Dealing with Related Parties and Communicating with Auditors**

Mr. Usman Tahir Farooqi discussed that dealing with related parties and communicating with auditors are critical aspects of corporate governance that ensure transparency and integrity in financial reporting. Managing related party transactions involves identifying and disclosing any dealings between the company and its affiliates or executives to avoid conflicts of interest and potential biases. These transactions must be conducted at arm's length and reported transparently in financial statements to comply with regulatory requirements. Effective communication with auditors entails providing them with accurate and complete information, addressing their inquiries promptly, and collaborating to resolve any issues that arise during audits.

**Dr. Yasir Mehmood**

### **Board Financial Decision Making: Process and Practice**

Board financial decision-making discussed by Dr. Yasir Mehmood involved a structured process where the board evaluates and approves significant financial decisions to ensure alignment with the company's strategic goals and financial health. This process typically begins with the management team presenting detailed financial reports, forecasts, and recommendations, accompanied by analyses of potential risks and returns. The board assesses these proposals, considering factors such as profitability, liquidity, and long-term impact. Decision-making practices include rigorous debate, consultation with financial experts, and use of financial models and scenario planning.

**Mr. Abdul Rehman Warraich**

**Mr. Asif Ali Qureshi**

### **Capital Budgeting and Tax Planning for Directors**

The panelists briefed the participants on capital budgeting and tax planning, which are crucial elements in steering the company's financial strategy and enhancing shareholder value. Capital budgeting involves evaluating and prioritizing long-term investment projects based on their potential to generate future cash flows and align with the company's strategic objectives. Directors must scrutinize investment proposals, assess risks, and consider financing options to ensure that capital expenditures yield optimal returns. Tax planning complements this by strategically managing tax liabilities through efficient structuring of transactions and investments, leveraging available tax credits, and complying with regulatory requirements.

## **Directors' Training Program (DTP) Day-4**

**Mr. Iftikhar Taj**

### **Risk Management by Board, Governance & Compliance Measurement**

Mr. Iftikhar Taj explained that risk management by the board involves identifying, assessing, and mitigating potential risks that could impact the company's strategic objectives and operational stability. The board is responsible for setting the risk management framework, approving risk policies, and ensuring that a robust system is in place for monitoring and addressing various types of risks, including financial, operational, and strategic. Governance and compliance measurement further ensures that the company adheres to legal and regulatory requirements, industry standards, and internal policies. This includes establishing controls, conducting regular audits, and implementing compliance programs to detect and prevent violations.

**Mr. Kashif Ahmad Noor**

### **Importance of Internal Audit and Effective Internal Control System**

Mr. Kashif Ahmad Noor discussed the importance of audit as the internal audit function and an effective internal control system are essential for maintaining the integrity and efficiency of an organization's operations. Internal audits provide an independent assessment of the effectiveness and reliability of the company's internal controls, risk management processes, and compliance with laws and regulations. This function helps identify weaknesses, inefficiencies, or potential fraud, and recommends improvements. An effective internal control system, on the other hand, involves a set of procedures and policies designed to ensure accurate financial reporting, safeguard assets, and promote operational efficiency.

## **Dr. Haider Abbas**

### **Cyber Security Risk and Counter Measures**

Dr. Haider Abbas talked about the cybersecurity risk management which involves identifying and mitigating potential threats to an organization's digital assets and data. These risks include malware, ransomware, data breaches, and phishing attacks that can compromise sensitive information and disrupt operations. Countermeasures to address these risks include implementing robust cybersecurity policies, deploying advanced security technologies such as firewalls and intrusion detection systems, conducting regular security training for employees, and performing routine vulnerability assessments and penetration testing.

## **Mr. Usman Tahir Farooqi**

### **Case Study/Simulation Exercise**

Mr. Usman Tahir Farooqi engaged the participants in a simulation exercise which provided a practical, immersive learning experience by presenting participants with realistic scenarios involving complex business challenges and decision-making processes. This approach teaches directors to apply theoretical knowledge to simulated situations, such as managing a crisis, evaluating a major investment, or navigating ethical dilemmas.

## **Directors' Training Program (DTP) Day-5**

**Dr. Ishrat Hussain**

### **Corporate Social Responsibility**

Dr. Ishrat Hussain explained that Corporate Social Responsibility (CSR) refers to a company's commitment to operate ethically and contribute positively to society beyond its financial and legal obligations. This encompasses a range of activities, including environmental sustainability, ethical labor practices, community engagement, and responsible sourcing. CSR initiatives aim to enhance the company's impact on social, economic, and environmental fronts, fostering a positive corporate reputation and building trust with stakeholders.

**Dr. Ishrat Hussain**

### **Leadership Styles in Emerging Challenges & Issues – The Power of Leveraging Knowledge**

Dr. Ishrat Hussain elaborated the leadership styles in the face of emerging challenges and issues. He emphasized the power of leveraging knowledge to drive success and innovation. In rapidly changing environments, leaders must adopt adaptive and transformational styles, encouraging flexibility, continuous learning, and knowledge sharing within their organizations. By harnessing diverse expertise and insights, leaders can anticipate and respond to new threats, capitalize on emerging opportunities, and guide their teams through uncertainty.

**Mr. Iftikhar Taj**

### **Board Performance Evaluation and Remuneration**

Mr. Iftikhar Taj discussed about board performance evaluation and remuneration are critical aspects of governance that ensure the effectiveness and alignment of the board with the company's strategic objectives. Performance evaluation involves systematically assessing the board's effectiveness, including its structure, processes, and individual contributions, to identify areas for improvement and ensure that it fulfills its oversight and strategic roles effectively. This evaluation often leads to the implementation of enhanced governance practices and targeted development

programs. Remuneration, on the other hand, must be structured to align with the company's long-term goals and shareholder interests, providing fair and competitive compensation that reflects the board's performance and contributions.

### **Evaluation and Feedback**

At the conclusion of the 5-day training, a mandatory evaluation was administered to assess participants' understanding of corporate governance. This online, MCQ-based assessment encompassed all key topics covered in the Directors' Training Program (DTP).

Additionally, a feedback session was held, allowing participants to share their overall experience via feedback forms. Their insights and suggestions were actively sought to enhance the quality and effectiveness of future DTP sessions.



**NATIONAL SCHOOL OF PUBLIC POLICY**  
**EXECUTIVE DEVELOPMENT INSTITUTE**  
**Directors' Training Programme (DTP)**  
 05<sup>th</sup> to 09<sup>th</sup> August, 2024



1st Row: Mr. Qaisar Mehmood, Ms. Sijal Tauseef Khan, Dr. Muhammad Jamil Afaqi, Mr. Ahmad Nazir Warrach, Mr. Akif Saeed, Mr. Abdul Rehman Warrach,  
 L to R Dean EDI, Chairman SECP  
 Mr. Muhammad Farooq, Mr. Zulfikar Ali, Mr. Hussain Anwar,  
 2nd Row: Syed Wasi Haider, Mr. Asim Iqbal, Mr. Anwaar Ali, Mr. Barak Ullah Khan, Dr. Muhammad Tariq Moq, Sheikh Muhammad Tahir,  
 Ms. Ambreen Raza, Mr. Muhammad Farooq Mazhar, Mr. Arshad Farid Khan, Mr. Jameel Ahmed, Mr. Iqbal Muhammad Chauhan, Ms. Shajiah Qursam,  
 3rd Row: Dr. Jawaid A. Shaikh, Mr. Muhammad Ajmal Khan, Dr. Faisal Zahoor, Mr. Basharat Hameed, Mr. Kamran Khan, Ms. Saima Sadiq,  
 Mr. Jahanzeb Pitafi, Mr. Muhammad Mehbob Alam, Dr. Muhammad Mujtaba Piracha, Sahibzada Mohammad Shahzad Sultan, Mr. Muhammad Irfan,







