

A Report on
Pakistan's first-ever
conducted 2nd series of
DTP-SOEs

DIRECTORS'

Training Program (DTP) for
State-Owned Enterprises (SOEs)

18th to 20th August, 2025

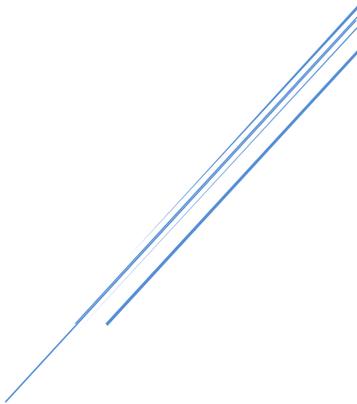


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Executive Development Institute
of the
National School of Public Policy
Government of Pakistan- Lahore



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Rector's Message

The National School of Public Policy is the premier national institution for long and short trainings of civil servants as well as executives, academia and social sector professionals in Pakistan. The training methodology of the school as followed by both the Executive Development Institute (EDI) & the Pakistan Administrative Staff College (PASC) aims at fostering an environment of intellectual curiosity amongst participants for analysis and skill enhancement. In addition, through the EDI, NSPP also holds policy dialogues, where experts of the chosen topic come and share their knowledge as well as discussing the issues and way forward related to them. EDI also holds webinars on issues of topical importance. These functions of EDI help it in fulfilling the overarching aim of the NSPP, which is to improve the quality and effectiveness of public policy formulation and its implementation.



The Directors' Training Program (DTP) for State-Owned Enterprises (SOEs) is an initiative authorized by the Securities & Exchange Commission of Pakistan (SECP). The NSPP is committed to high-caliber public service and policy training and this program is highlighted as a crucial milestone in enhancing corporate governance within Pakistan. The NSPP, through its Executive Development Institute (EDI), facilitates learning and policy dialogues for professionals across various sectors.

The address defined corporate governance as the framework for directing and controlling corporations, promoting accountability, fairness and transparency. The recent enactment of the State-Owned Enterprises (Governance & Operations) Act, 2023 and the SOEs Policy-2023 necessitates that all SOE directors complete a Directors' Training Program, underscoring the importance of adequately prepared leadership.

This training program has been meticulously designed in accordance with SECP guidelines to impart essential knowledge on stakeholder responsibilities, legal frameworks, compliance, financial stewardship and best practices in public sector governance. Interactive lectures and simulations are employed to facilitate the practical application of these principles. The Rector expressed gratitude to the SECP for its support and conveyed confidence that the initiative will establish a benchmark for corporate governance training in Pakistan, contributing to institutional development. Participants are encouraged to apply the acquired knowledge within their organizations to foster a more transparent and accountable corporate sector, thereby supporting economic progress.

Mr. Jamil Afaqi
Rector, NSPP

An Overview of the Directors' Training Program (DTP) by Dean EDI

The Executive Development Institute (EDI), an integral unit of the National School of Public Policy (NSPP), serves as a premier platform for policy dialogue and capacity building across public and private sectors. It advances professional excellence through training programs, workshops, seminars and policy dialogues, fostering collaboration and informed governance responses to emerging socio-economic challenges.



The NSPP holds the distinction of being the first public sector institution accredited by the Securities & Exchange Commission of Pakistan (SECP) to conduct the Director Training Program (DTP) for both listed companies and State-Owned Enterprises (SOEs). In line with Point-21 of the SOE Ownership & Management Policy 2023, under the SOE (Governance & Operations) Act 2023, all SOE directors are required to complete this program.

The DTP for SOEs at NSPP is designed under SECP guidelines and grounded in the SOE Act and Policy 2023. The three-day program strengthens participants' competencies in corporate governance, fiduciary duties, regulatory compliance and performance oversight, aligning with national and international best practices. Delivered at NSPP's state-of-the-art Lahore campus, the program ensures an optimal executive learning environment.

The course features expert-led sessions on Corporate Governance Principles, SOE Reforms and Legal Framework, Board Composition, Financial and Risk Governance, Directors' Duties, Public Service Obligations, Cybersecurity, Ethics & Disclosure and Audit & Control Mechanisms. Case studies, simulations and interactive discussions enhance practical understanding and boardroom effectiveness.

Through this program, participants gain actionable insights into governance challenges facing public enterprises while building professional networks across sectors. Ultimately, the DTP equips directors with the integrity, strategic vision and leadership skills required to ensure transparent, accountable and performance-driven governance within Pakistan's SOE landscape.

Dr. Naveed Elahi
Dean EDI

Executive Summary

This report details the proceedings of Pakistan's second Directors' Training Program (DTP) for State-Owned Enterprises (SOEs), conducted by the Executive Development Institute (EDI) of the National School of Public Policy (NSPP) from August 18-20, 2025. Authorized by the Securities and Exchange Commission of Pakistan (SECP), this mandatory program was designed to equip board members and senior executives with the essential knowledge and skills to navigate the reformed governance landscape established by the SOE Act 2023 and the SOE Policy 2023.

The training provided a comprehensive dissection of the new legal and governance framework. Experts emphasized that the state must act as an informed and active owner, distinct from a managing entity, to ensure accountability and transparency. A central theme was the critical role of the board, which is now vested with greater autonomy and responsibility for strategic direction, risk governance and financial stewardship. The program detailed the board's composition, highlighting the requirement for a majority of independent directors selected through a merit-based process by the Board Nomination Committee (BNC) to mitigate political interference. Furthermore, the establishment of the Central Monitoring Unit (CMU) was underscored as a pivotal reform, creating a central hub for performance analysis and oversight to ensure SOEs align with national objectives.

Sessions delved into the practical application of this framework, covering directors' fiduciary duties, liabilities and the imperative of developing robust Business Plans and Statements of Corporate Intent (SCI). The curriculum also addressed operational challenges, including the need for competitive neutrality—ensuring SOEs compete fairly with private entities—and the transparent management of Public Service Obligations (PSOs). Critical contemporary issues such as cybersecurity risks and ethical governance, enforced through stringent Codes of Conduct and conflict-of-interest policies, were also integral components of the training.

The program culminated in a realistic board simulation, applying the acquired principles to a case study of a financially distressed SOE. This exercise reinforced the practical challenges of governance, from financial deterioration and reporting irregularities to structural encumbrances, ultimately guiding participants toward the strategic recommendation of privatization for non-viable entities. In conclusion, the DTP successfully highlighted that while Pakistan has established a world-class policy framework for SOE governance, its effectiveness hinges on competent, ethical and empowered boards capable of driving transparency, accountability and sustainable performance to alleviate the sector's fiscal burden on the national economy.

ACRONYMS

BNC	Board Nomination Committee
CA / ACCA	Chartered Accountant / Association of Chartered Certified Accountants
CEO / CFO	Chief Executive Officer / Chief Financial Officer
CIDA	Canadian International Development Agency
CIS Controls	Centre for Internet Security-Critical Security Controls
CMU	Central Monitoring Unit
CoC	Code of Conduct / Corporate Code of Conduct
DFID	Department for International Development
DTP	Directors' Training Program
ESG	Environmental, Social and Governance
FBR	Federal Board of Revenue
HR	Human Resources
ICAP	The Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost & Management Accountants of Pakistan
IFRS	International Financial Reporting Standards
IRR	Internal Rate of Return
ISO-27001	International Organization for Standardization/International Electro-technical Commission 27001
KPI	Key Performance Indicator
NEPRA	National Electric Power Regulatory Authority
NIST	National Institute of Standards & Technology
NPV	Net Present Value
NSPP / EDI	National School of Public Policy / Executive Development Institute
OECD	Organization for Economic Co-operation and Development
OGDCL / OGRA	Oil & Gas Development Company Ltd. / Oil & Gas Regulatory Authority
PASC	Pakistan Administrative Staff College
PFM Act	Public Finance Management Act
PIPFA	Pakistan Institute of Public Finance Accountants
PSO	Public Service Obligation
SCI	Statement of Corporate Intent
SECP	Securities & Exchange Commission of Pakistan
SOE Act	State-Owned Enterprises (Governance & Operations) Act, 2023
SOEs	State-Owned Enterprises
SWOT	Strengths, Weaknesses, Opportunities & Threats
WACC	Weighted Average Cost of Capital



Sessions' Summaries: Day-1



Principles of Corporate Governance, SOE Reforms and Legal Framework

Mr. Muhammad Anwer Sheikh

Mr. Anwer Sheikh has had a distinguished 30-year career in Pakistan's civil service, culminating in 2023 as Additional Secretary (Corporate Finance) in the Ministry of Finance. He played a key role in formulating the state-owned enterprises (SOEs) Policy and overseeing major SOEs such as PIA and Pak-Steel. Mr. Sheikh possesses an M.Com and LLB, specializing in project financing and taxation. Additionally, he co-drafted the PIA Restructuring Plan and was involved in international investment disputes and significant projects, including Karkey and Reko-diq, while also coordinated with national regulators like SBP, OGRA, NEPRA and SECP.



Mr. Anwer Sheikh emphasized the fundamentals of corporate governance, the critical role of State-Owned Enterprises (SOEs) in Pakistan's economy and the pressing need for reform and stronger governance structures.

Governance Foundations and Global Guidelines

He grounded his analysis in the OECD Guidelines, the SOE Act and recent policy developments, defining corporate governance as the system through which companies are directed and managed to ensure accountability, transparency, fairness and responsibility.

Overview of SOEs in Pakistan

Mr. Sheikh highlighted that Pakistan currently has 88 commercial SOEs—71 under the Companies Act 2017 and 17 established through special enactments—along with 45 non-commercial entities operating in key sectors like energy, transport, banking and defense.

Ownership and Oversight Framework

He explained that the Federal Government is the main policy authority, with Line Ministries handling board nominations and oversight, while the Board Nominations Committee (BNC) and Central Monitoring Unit (CMU) ensure director selection, data integrity and performance evaluation.

Governance Challenges in SOEs

Major challenges identified include weak board independence, overlapping roles among institutions, political interference, resistance to change and persistent financial underperformance affecting reform outcomes.

OECD Principles and Best Practices

Drawing from OECD Guidelines, he stressed that the state should act as an informed owner, ensure fair competition, protect shareholder rights, maintain strong disclosure standards and establish competent, accountable boards.

Transparency and Strategic Planning

Reforms include requirements for annual and semi-annual reports, publication of accounts and preparation of robust Statements of Corporate Intent (SCI) to align business operations with strategic objectives.

Principles of Corporate Governance, SOE Reforms and Legal Framework

Mr. Abdul Rehman Warraich

Mr. Abdul Rehman Warraich has 28 years of experience in regulatory affairs, consulting, debt management, investment management, risk management and taxation. He is currently serving Securities & Exchange Commission of Pakistan (SECP) as Commissioner, Securities Market Division. He has worked as a consultant for the World Bank and advised on taxation reforms. His previous roles include Director General (Debt) for the Government of Pakistan and various positions in Punjab. His professional qualifications include BA, LLB, CFA Charter, FRM Certificate and various certificates from IMF Institute.



In his session, Mr. Abdul Rehman Warraich elaborated on the governance of State-Owned Enterprises (SOEs), emphasizing the principles, legal frameworks and policy measures essential for efficiency, accountability and transparency in the public sector.

Governance Principles and Framework

He highlighted that sound governance practices enable boards to set strategic direction, oversee management and protect the state's interests, guided by OECD-aligned principles and national SOE laws.

SOE Law and Competitive Neutrality

The SOE Law and Policy Framework focus on operational efficiency, financial sustainability and competitive neutrality, ensuring that SOEs compete fairly with private enterprises while fulfilling public obligations.

Governance and Management Dynamics

A balance between governance and management is vital to avoid conflicts in the principal-agent relationship, managed through empowered boards, transparent reporting and oversight mechanisms.

Oversight Challenges and Reforms

Governance weaknesses arise from political influence, centralized authority and weak board independence, requiring transparent appointments, empowered committees and adherence to disclosure standards.

Institutional and Regulatory Roles

The Cabinet Committee on SOEs provides policy direction, line ministries monitor operations and the Corporate Monitoring Unit (CMU) manages performance reporting and data oversight.

Financial Reporting and Accountability

Compliance with International Financial Reporting Standards (IFRS) and regular publication of performance reports promote transparency, comparability and public confidence.

Role of Government

Dr. Shujat Ali

Dr. Shujat Ali holds a PhD in Economics from Simon Fraser University, Canada. His extensive career includes roles as Dean of the National Management College, Lahore, Secretary to the Government of Pakistan in the Statistics Division and Special Secretary in the Finance Division. He has also served as Secretary of the Industries, Commerce & Investment Department, Chief Economist and held various other significant positions within government administrations at federal and provincial levels, including Deputy Commissioner for Faisalabad and Bahawalnagar districts. Dr. Shujat Ali has professional membership of Pakistan Society of Development Economists.



Dr. Shujat Ali opened his discussion by highlighting the severe financial setbacks and governance crises confronting Pakistan's State-Owned Enterprises (SOEs), urging for enhanced accountability, transparency and a strategic framework to restore fiscal discipline and operational efficiency.

Financial Performance and Fiscal Burden

By mid-FY2025, SOEs had accumulated losses of PKR 5,893.2 billion, with sovereign guarantees reaching PKR 2,245 billion—a 60% increase from the previous year. Direct government financial support of PKR 616 billion and subsidies worth PKR 333 billion illustrate their heavy drain on the national budget.

Structural and Governance Weaknesses

Most SOEs suffer from weak management, overlapping roles, lack of professional oversight and absence of a coherent governance framework, resulting in inefficiencies and duplication of functions.

Policy and Legal Reforms

To address these challenges, the SOE Act 2023 and Policy 2023—aligned with OECD Guidelines—were introduced to enhance transparency, competitive neutrality and accountability, supported by the establishment of the Central Monitoring Unit (CMU).

Compliance and Governance Deficits

Despite reforms, compliance remains poor; only two of 88 commercial SOEs met 80% governance standards, while over 90% failed to publish required Statements of Corporate Intent (SCI) or annual reports, reflecting weak transparency and board independence.

Institutional Oversight and Strategic Gaps

The Cabinet Committee on SOEs and CMU oversee reforms, but many enterprises still lack business plans, risk assessment mechanisms and independent audits, leading to strategic drift and heightened fiscal risks.

Board Composition and Structure

Mr. Tariq Bajwa

Mr. Tariq Bajwa, a retired civil servant, was appointed as the Governor of SBP by the President of Pakistan on July 7, 2017. With a career in civil service, Bajwa has held various positions, including Assistant Commissioner, Deputy Commissioner, General Manager and Director General Planning and Finance in various organizations. He served as Secretary Finance, Punjab from 2010 to 2013 and Chairman of the FBR from 2013 to 2015. Bajwa also served as Secretary, Economic Affairs Division and Secretary Finance before retiring in 2017. He holds a Master's degree in Public Administration from Harvard University and an LLB from the University of Punjab.



In his session, Mr. Tariq Bajwa underscored the importance of a transparent and accountable governance framework for SOEs that balances operational independence with national policy alignment, focusing on board structures, nomination procedures and accountability mechanisms.

Board Composition and Independence

SOE boards comprise five to eleven members, with a majority of independent directors to minimize political interference. The same individual cannot serve as both Chairman and CEO, ensuring impartial oversight and professional governance.

Role and Function of the Board Nomination Committee (BNC)

Chaired by the relevant Minister, the BNC ensures merit-based appointments through public advertisements, headhunting processes and use of SECP's database to select qualified independent and nominee directors.

Selection Criteria and Diversity

Appointments emphasize competence, experience and diversity—ensuring gender balance, inclusion of younger professionals and representation from the private sector, academia and trade bodies.

Board Governance and Decision-Making

Boards must maintain independence with limited ministerial representation. Strategic decisions—such as CEO appointments, budgets and major asset sales—require a three-fourths majority, while ordinary matters pass by simple majority.

Accountability and Removal Provisions

Independent directors can be removed for misconduct, conflicts of interest, or violations of governance codes. The 2024 amendment empowers the Federal Government to act on BNC recommendations following performance reviews.

Financial and Risk Governance

Mr. Abdul Rehman Warraich

Mr. Abdul Rehman Warraich has 28 years of experience in regulatory affairs, consulting, debt management, investment management, risk management and taxation. He is currently serving Securities & Exchange Commission of Pakistan (SECP) as Commissioner, Securities Market Division. He has worked as a consultant for the World Bank and advised on taxation reforms. His previous roles include Director General (Debt) for the Government of Pakistan and various positions in Punjab. His professional qualifications include BA, LLB, CFA Charter, FRM Certificate and various certificates from IMF Institute.



In the second part of his session, the speaker focused on *financial and risk governance*, emphasizing the critical role of corporate finance decisions in maximizing shareholder value while maintaining a balance between risk, return and cost of capital.

Key Financial Decisions

He outlined three core financial decisions: *Investment Decisions* that select value-creating projects exceeding the cost of capital; *Financing Decisions* that optimize debt–equity balance; and *Dividend Decisions* that return surplus profits through dividends or share buybacks.

Risk, Return and Cost of Capital

The discussion covered the *Risk-Free Rate* as a benchmark, *Risk Premium* for uncertainty and the *Required Rate of Return* combining both. The *Weighted Average Cost of Capital (WACC)* was highlighted as the benchmark for evaluating financing efficiency.

Determinants and Implications of Risk

Risk premiums arise from business, financial, liquidity and country risks. Factors such as tax rates, interest rates, capital structure and dividend policy influence the overall cost of capital and firm valuation.

Capital Budgeting Framework

Capital budgeting was defined as the strategic allocation of funds to long-term investments involving idea generation, analysis and post-project evaluation—guided by principles such as time value of money and incremental cash flows.

Project Evaluation and Capital Structure

Project appraisal tools like *Net Present Value (NPV)*, *Internal Rate of Return (IRR)* and *Scenario Analysis* were emphasized, with NPV preferred in case of conflict. The *Optimal Capital Structure* minimizes WACC and maximizes firm value.



Sessions' Summaries: Day-2



Director's Duties, Roles and Liabilities

Dr. Arshad Hasan

Dr. Arshad Hasan is an Associate Professor and CFO at the Lahore School of Economics, Pakistan. He holds an MSc and PhD in Accounting & Finance from the University of Gloucestershire, UK. With over 20 years of experience, his research focuses on topics like Corporate Governance and Sustainability Reporting and he is also an Editor for the Lahore Journal of Business. He has served and continues to serve as a Reviewer for several internationally leading academic journals.



The session on *Director's Duties, Roles and Liabilities* emphasized that directors play a pivotal role in ensuring the sound governance, strategic direction and accountability of organizations, particularly within State-Owned Enterprises (SOEs).

Core Duties of Directors

Directors are entrusted with fiduciary responsibilities, including acting in good faith, exercising due care and skill, avoiding conflicts of interest and always prioritizing the organization's best interests over personal gain.

Strategic and Oversight Roles

Their primary roles involve setting corporate strategy, overseeing management, ensuring compliance with laws and policies, approving budgets and safeguarding the assets and reputation of the enterprise.

Collective Decision-Making and Governance

Boards function collectively, where directors must exercise independent judgment, contribute to informed decision-making and uphold transparency and accountability in all corporate affairs.

Legal and Ethical Responsibilities

Directors are legally obligated to comply with statutory requirements under the Companies Act, SOE Act and corporate governance codes, while maintaining ethical standards in leadership and stakeholder engagement.

Liabilities and Consequences of Misconduct

Failure to fulfill duties—such as negligence, misuse of authority, insider trading, or conflict of interest—can result in civil, criminal, or disqualification penalties under relevant laws.

Responsible and Accountable Leadership

The directors must demonstrate professionalism, integrity, and accountability, ensuring that governance decisions align with the organization's objectives, public trust and long-term sustainability.

Developing a Business Plan

Mr. Mairaj A. Ariff

Mr. Mairaj A. Ariff has a Master's Degree in Transnational Organized Crime Prevention from University of Wollongong, Australia. He has Chevening Scholarship and fellowship at Bramshill Police Training College, UK. As Director General of Civil Defense in Punjab, established first Bomb Disposal and improved Disaster Management Teams. Graduated from FBI National Academy and authored Pakistan's first National Counter Terrorism Strategy. He possesses over 18 years of experience in Pakistan's security sector, 15 years in leadership roles, recently retired after over 33 years of public service and is a Certified Companies' Director.



Mr. Mairaj A. Ariff shed lights on *Developing a Business Plan* and *Statement of Corporate Intent (SCI)* form the cornerstone of corporate and financial governance for State-Owned Enterprises (SOEs) under the SOE Act, 2023 and the SOE Ownership and Management Policy, 2023.

Purpose and Legal Framework

The Business Plan outlines strategic, operational and financial goals for three years, developed with the Line Ministry and the Central Monitoring Unit (CMU) as required under Section 8 of the Act.

Business Plan Focus Areas

The Plan must define objectives, long-term vision, inputs, barriers and key performance indicators (KPIs) supported by both financial and non-financial measures, including SWOT and sensitivity analyses.

Statement of Corporate Intent (SCI)

The SCI serves as a tripartite agreement among the SOE Board, the relevant Ministry and the Ministry of Finance, detailing strategic targets and accountability measures.

Objectives of the SCI

It aims to promote good governance, sustainable financing, operational efficiency and adherence to international best practices in resource management.

Governance and Oversight

Both instruments promote good governance, sustainable financing and transparency, with CMU and ministries monitoring compliance through reports and performance reviews.

Integrated Governance

Together, the Business Plan and SCI create a structured mechanism for reforming SOEs—linking strategic intent with measurable outcomes, promoting transparency and reinforcing state ownership accountability.

Directors' Selection and Performance Review

Dr. Shahid Qureshi

Dr. Shahid Qureshi is a notable entrepreneur scholar and trainer, known for his emphasis on mindset transformation and values-driven leadership. As the former Founding Director of the Center for Entrepreneurial Development at IBA Karachi and current Rector of GIFT University, he has significantly influenced entrepreneurial education in Pakistan. A Babson Fellow with a PhD from TU Berlin, he created the Entrepreneurship Plus (E+) Model, which merges purpose with effectual thinking. He has also delivered programs in over 20 countries, advised on innovation and strategic transformation, and contributed to national policy-making in Pakistan, focusing on nurturing socially responsible entrepreneurs.



Dr. Shahid Qureshi, in his session “*Board Governance in SOEs: Selection, Nomination Committees, and Performance Reviews*”, emphasized that effective board governance ensures transparency, accountability and performance in public enterprises.

Governance Gaps

He identified recurring governance weaknesses such as political appointments, skill gaps, lack of independence, poor communication, and minimal performance evaluation, which undermine board credibility and efficiency.

Director Selection Process

Under the SOE Act, 2023 and PSC Rules, 2013, directors must be selected through merit-based, transparent procedures with fit-and-proper criteria ensuring integrity, competence and independence.

Role of the Board Nomination Committee (BNC)

The BNC, chaired by an independent member, is tasked with identifying skill gaps, recommending qualified candidates and overseeing succession planning to ensure balanced, professional boards.

Performance Evaluation

Annual board and individual director evaluations—through self-assessments, peer reviews and external evaluations—are mandated to improve governance quality and guide reappointments.

SOE Policy Alignment

The *SOE Ownership and Management Policy, 2023* stresses separating ownership from management, empowering boards for strategic oversight and strengthening financial discipline.

Transformative Leadership

Dr. Qureshi concluded that professional, diverse, and continuously learning boards are key to transforming SOEs—ensuring strategic direction, risk management and sustainable organizational performance.

Public Service Obligation (PSO) and Competitive Neutrality

Mr. Muhammad Anwer Sheikh

Mr. Anwer Sheikh has had a distinguished 30-year career in Pakistan's civil service, culminating in 2023 as Additional Secretary (Corporate Finance) in the Ministry of Finance. He played a key role in formulating the state-owned enterprises (SOEs) Policy and overseeing major SOEs such as PIA and Pak-Steel. Mr. Sheikh possesses an M.Com and LLB, specializing in project financing and taxation. Additionally, he co-drafted the PIA Restructuring Plan and was involved in international investment disputes and significant projects, including Karkey and Reko-diq, while also coordinated with national regulators like SBP, OGRA, NEPRA and SECP.



The guest speaker, during his foundational presentation in the workshop, defined *Public Service Obligations (PSOs)* as state-mandated services ensuring public access to essential goods and *Competitive Neutrality* as fair competition between SOEs and private firms. The aim is to balance public welfare with market efficiency.

Legal and Policy Framework

Under the *SOE Act 2023* and *SOE Policy*, PSOs must be government-approved and compensated, while SOEs are prohibited from receiving unfair advantages, reinforcing accountability and market neutrality.

Operational Challenges

Despite sound policies, many SOEs face chronic losses due to political interference, inefficiency, and weak governance, creating a gap between policy ambition and actual performance.

Implementation Dilemma

Although competitive neutrality is mandated, government equity injections and guarantees continue to distort markets, revealing a conflict between policy ideals and practice.

Governance and Leadership

The workshop emphasized that SOE performance depends less on political systems and more on leadership vision, operational discipline and clearly defined mandates.

Privatization Challenges

Privatization efforts remain ineffective due to misaligned objectives, political interference and poor investor capacity, often undermining expected efficiency gains.

Implementation Gap

Pakistan's policy framework is strong, but implementation remains weak. Ensuring transparency, fair competition and leadership accountability is vital for sustainable SOE reform and financial recovery.

Cyber Security Risk & Counter Measures

Dr. Kashif Zafar

Dr. Kashif Zafar is the Head of the School of Computing at FAST University, Lahore, with over 25 years of experience in teaching, research and management. He has been with FAST-National University since 2004 and previously worked at GIK Institute. Zafar holds a PhD in Computational Intelligence from FAST, Islamabad and an MS in Computer Science from The City University of New York. His specialization includes Artificial Intelligence, Data Science, Machine Learning and Deep Learning, with over 70 published papers and a focus on applications across various sectors such as healthcare, agriculture, education and finance.



Dr. Kashif Zafar highlighted cybersecurity threats such as phishing, ransomware, insider breaches and advanced malware that jeopardize organizational data and public trust. To mitigate these risks, organizations should enhance security measures through firewalls, multi-factor authentication, system audits, employee training and adherence to international standards like ISO 27001.

Strategic Stakes

SOEs, as custodians of critical infrastructure and citizen data, face escalating cyber threats that directly endanger national security and economic stability, making them prime targets for global cyberattacks.

Evolving Threats

Modern attacks—from AI-driven phishing and ransomware to Zero-Day exploits—are increasingly sophisticated, with insider risks posing equal danger through negligence or malicious intent.

Impact and Consequences

Cyber incidents can disrupt essential services like power and transport, cause heavy financial losses and permanently damage public trust and investor confidence.

Structured Defense

Participants were urged to adopt recognized frameworks such as NIST, CIS Controls and ISO 27001 to develop a risk-based, proactive cybersecurity posture instead of reactive measures.

Core Security Practices

Essential safeguards include multi-factor authentication, limited user privileges, end-to-end data encryption and consistent software patching to minimize exposure to cyber threats.

Human-Centric Security

A resilient security culture requires ongoing employee training, phishing simulations and leadership commitment to treat cybersecurity as an organization-wide responsibility.

Leadership and Preparedness

The workshop concluded that cyber breaches are inevitable; hence, robust incident response planning, clear communication, and executive oversight are vital to organizational resilience.



Sessions' Summaries: Day-3



Code of Conduct and Conflict of Interest

Mr. Iftikhar Taj

Mr. Iftikhar Taj is the former President and CEO of The Institute of Chartered Accountants of Pakistan (ICAP) and has served on the Governance Committee and as a Technical Advisor on the IFAC Committee. With over 30 years of experience as a Chartered Accountant across various industries, he has trained over 600 directors on governance topics and is recognized as an expert in Governance and Family Constitutions, providing services to companies internationally. He also holds positions on the Management Committee of Punjab Pension Fund and Punjab Provident Fund and has experience on the boards of listed companies.



Mr. Iftikhar Taj, emphasized the importance of a strong Code of Conduct (CoC) for ethical corporate governance, focusing on integrity, transparency and accountability. He identified anti-corruption, conflict management and disclosure mechanisms as essential components, asserting that institutionalizing ethics is a strategic asset that enhances trust and governance while ensuring long-term credibility.

Foundational Framework

The workshop emphasized that a *Code of Conduct* serves as the cornerstone of corporate governance, guiding behavior from the Board to management. It is an enforceable ethical framework that aligns all actions with organizational values and legal duties, protecting institutional credibility.

Ethical Integration

Rather than being a standalone policy, the Code was described as a system embedded within governance processes, ensuring consistency, fairness, and accountability across all operational levels.

Core Components

Key elements include anti-corruption controls, conflict of interest management, and proactive disclosure requirements that collectively promote transparency and responsible conduct.

Disclosure and Compliance Tools

Maintaining formal registers, such as for Related Party Transactions, was highlighted as an essential practice to document disclosures and provide verifiable proof of ethical compliance.

Enforcement Mechanisms

Effective codes depend on consistent enforcement through clear procedures for reporting, investigating, and resolving ethical breaches to uphold integrity and accountability.

Cultural Transformation

Participants stressed that ethics must move beyond compliance, fostering a culture where honesty, fairness, and transparency become instinctive organizational values.

Strategic Value of Integrity

The workshop concluded that institutionalizing ethics strengthens trust, enhances governance, and transforms integrity into a strategic advantage for sustainable corporate credibility.

Reporting and Disclosure

Mr. Imtiaz Mehmood

Mr. Imtiaz Mehmood is an accomplished professional with over 30 years of experience in Audit, Accounts, Finance, Corporate and Media Affairs. Before his current role as Company Secretary, SNGPL, he has held key positions including Chief Accountant & Secretary Funds, showcasing his leadership and strategic vision. A fellow member of ICMAP and PIPFA, he holds an MS in Business Administration and has completed a Directors Training Program at LUMS. Additionally, he presides over the Sports Steering Committee and has served as Chairman of the Technical Support Committee at ICMAP's Lahore Branch.



Mr. Imtiaz Mehmood highlighted that the SOE Act 2023 and Policy 2023 institutionalize transparency and accountability through structured reporting, public disclosure, and oversight by the Central Monitoring Unit (CMU), aligning SOEs with global governance standards and ensuring fiscal discipline.

Legislative Foundation

The SOE Act 2023 and Policy 2023 establish a legal framework making transparency and fiscal oversight mandatory, transforming the government into an informed and responsible shareholder.

Strategic Roadmaps

The Business Plan and Statement of Corporate Intent (SCI) act as accountability tools, linking goals to measurable outcomes through coordinated review among boards, ministries, and the CMU.

Reporting Calendar

A fixed reporting schedule mandates half-yearly reviews, pre-fiscal business planning, and annual report submission within four months, ensuring timely and consistent performance monitoring.

Comprehensive Annual Reporting

Annual Reports must reflect financial and operational results, progress on SCI targets and compliance with governance and ethical standards to ensure a full performance picture.

Public Transparency

SOEs are required to publish Annual Report summaries and approved SCIs online, promoting public access, investor confidence and institutional credibility.

Integration with Broader Law

These reporting requirements complement the Companies Act 2017 and stock exchange rules, aligning SOE governance with national and international best practices.

Enforcement and Control

Strong internal controls and CMU oversight ensure effective implementation, enabling evidence-based decision-making and reinforcing accountability across SOEs.

Controls (External Audit, Internal Control & Audit Committee)

Mr. Kashif Ahmed Noor

Mr. Kashif Ahmed Noor is a highly motivated financial management professional with over 28 years of experience in both public and private sectors. Key skills include managing diverse stakeholders, project management, strategic thinking and proposal preparation for over 200 projects. Educated with a Certificate in Organizational Leadership from Harvard, M.Sc. in Accounting & Finance from Manchester and B.Sc. in Electrical Engineering. Recent roles include Military Accountant General, overseeing defense expenditure and Member Finance for the Railways Board, focusing on financial scrutiny and budget management.



Mr. Kahif Noor articulated that the governance framework mandates a multi-layered control system for SOEs, integrating robust **Internal Controls**, an independent **Audit Committee** and a rigorous **External Audit** to ensure financial integrity and operational accountability. This structure is enforced by the **Central Monitoring Unit (CMU)**, which provides centralized oversight, with strict penalties for non-compliance to protect public funds and ensure responsible management.

Governing Legal Framework

The SOE Act 2023, Companies Act 2017 and PFM Act 2019 form a multi-layered legal structure mandating internal controls, external audits and independent audit committees for accountability.

Board Governance & Autonomy

The board holds ultimate responsibility for business plans, internal controls, and establishing an audit committee, with protected autonomy from government interference without federal approval.

Centralized Government Oversight

The Central Monitoring Unit (CMU) serves as the federal government's central hub for analyzing SOE performance, risk and compliance, providing recommendations on operations and privatization.

Mandated Policies & Director Conduct

Boards must maintain formally approved policies on governance, risk, HR and ESG, while directors are bound by fiduciary duties to act in good faith, avoid conflicts and exercise independent judgment.

Rigorous External Audit Process

External auditors must follow international standards and have extensive access rights, with strict disqualifications and significant financial penalties in place to ensure their independence and rigor.

Independent Audit Committee Structure

The audit committee must be composed of at least three non-executive directors, chaired by an independent director and exclude the CEO/CFO to preserve its independent oversight role.

Enforcement & Penalty Regime

The framework is enforced with substantial penalties for contraventions by companies and directors, including fines and potential imprisonment for auditors acting with malicious intent.

Board Simulation — Case Study

Mr. Salman Amin

Mr. Salman Amin has a diversified experience of over 28 years. He is Member at Competition Commission of Pakistan. By profession he is a CA and ACCA (UK) with specialization in regulatory affairs from University of Florida. He has served at senior positions in OGDCL, Ministry of Finance, NEPRA, and also with international organizations like DFID & CIDA. In 2018, he got 'Exceptional Public Value Award' from ACCA for rationalizing power tariffs in Pakistan and in May 2025 he got "Professional Excellence Award" from ICAP for enabling conducive and competitive business environment. He is a certified director involved in various inter-ministerial committees and boards.



Mr. Salman Amin, prior to the conclusion of the workshop, orchestrated "A Governance Case Study on Pak-Trade Centers (Pvt.) Ltd., that evaluates the entity's financial insolvency, operational inefficiency and serious governance issues, indicating a lack of ongoing public value. The sole feasible course of action is a Board recommendation for privatization, dependent on addressing substantial legal and structural obstacles, as further recapped below:-

Severe Financial Deterioration

Accumulated losses of Rs.1.3 billion and a 71% higher net loss, driven by a 43% revenue drop and sudden financing costs, question past reporting accuracy and ongoing viability.

Critical Governance Failures

The Board approved accounts despite unresolved auditor concerns, with members using company assets personally. Lack of an organogram, KPIs, or a credible business plan shows a deficient control environment.

Inept Leadership & HR

Unstable CEO tenure and a CFO with a history of embezzlement inquiries, combined with overstaffing and no performance systems, indicate profound operational inefficiencies.

Major Reporting Irregularities

Unexplained, late recognition of large interest expenses and the non-disclosure of surrendered PSDP funds reveal serious flaws in financial management and transparency.

Failed Strategic Mandate

No data supports its economic purpose. It loses market share to private competitors and has never reached break-even, undermining its original investment rationale.

Binding Legal Hurdles

Privatization is complicated by leased land needing federal approval, a restructured loan, tax disputes and a 15-acre land parcel controlled by a political figure.

Recommended Path: Privatization

The Board should resolve to recommend privatization due to persistent losses and no public value. A detailed plan is needed to manage legal issues and attract a strategic investor.

PICTURES GALLERY-1

Welcome Speech by Rector NSPP to the Participants of DTP-SOEs



Dean EDI delivering DTP-SOEs Program overview to the Participants



Photo highlights of the ongoing Program

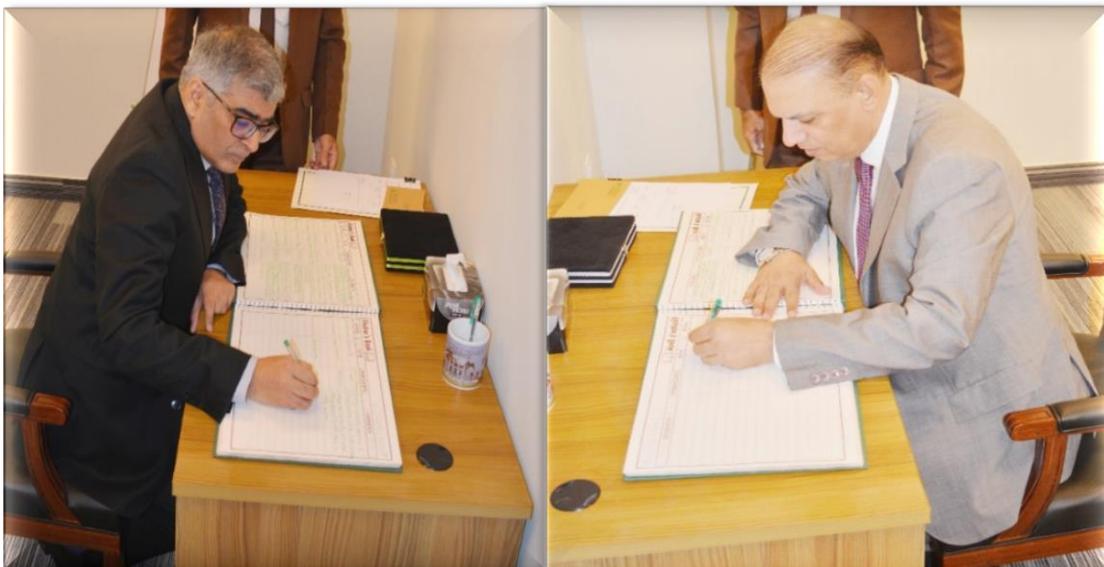


PICTURES GALLERY-2

Presenting sheilds to Guest Speakers by Dean/Director, EDI



Guest Speakers recording their impressions in the Remarks Book



PICTURES GALLERY-3

Certificate Distribution by Rector NSPP/Dean EDI & Farewell Scenes



Group-Photograph of DTP-SOEs



NATIONAL SCHOOL OF PUBLIC POLICY
EXECUTIVE DEVELOPMENT INSTITUTE
Directors' Training Program For State Owned Enterprises (SOEs)
18th-20th August 2025



1st Row: L to R	Mr. Zulfikar Ali Dy. Dir. EDI	Mr. Faisal Ur Rehman Dy. Dir. EDI	Mr. Muhammad Anwer Sheikh Guest Speaker	Dr. Naveed Elahi Dean EDI	Dr. Muhammad Jamil Afaqi Rector NSPP	Mr. Kamran Ahmad, Director EDI
	Mr. Abdul Rehman Warraich Guest Speaker	Mr. Qaiser Iqbal Addl. Dir. EDI	Mr. Qaisar Mehmood Dy. Dir. EDI			
2nd Row:	Mr. Iqtidar Haider Ms. Saira Ifkhar	Dr. Shafiq Ahmad Awan Ms. Faiza Muzaffar	Mr. Siddiq Ahmed Dr. Zahid Pervaiz	Mr. Atique Sultan Raja Dr. Ali Razaque	Lt Col Izhar Ahmad Mr. Asif Salam	Asia Gul Mr. Abid Raza
3rd Row:	Mr. Ahmed Ali Mr. Qazi Abdul Quddus	Lt Col. (R) Shehzad Khalid Mr. Muhammad Basit Siddiqui	Mr. Farrukh Ameer Khan Mr. Umair Anwar	Mr. Tariq Naeem Awan Prof. Muhammad Hussain Baloch	Dr. Rashid Ahmad Bhatti Engr. Muhammad Naeem Jan	Mr. Mansoor Azam Engr. Inayat Ullah Tareen
4th Row:	Mr. Tahseen Ahmad Mr. Muhammad Waqas Mushtaq Qureshi	Mr. Syed Kamal Haider Mr. Iqbal Hassan	Mr. Shafaat Ali Mr. Muhammad Hassan Ahsan	Mr. Muhammad Riaz Hafiz M. Saad Nawaz Qasrani	Brig. Retd. Musharraf Rasool Mr. Irfan Hussain	Mr. Nadeem Faisal, Mr. Arshad Illahi Diyali
5th Row:	Syed Anwar Ali Mr. Usman Azam Shahzad	Lt Col. (R) Shahid Abbas Khan Dr. Said Rahman	Mr. Muhammad Hassan Ahsan Mr. Atta Mohammad Khakwani	Mr. Aamir Latif	Mr. Hamid Khan	Mr. Omar Kauser Malik,