



A way to address Public Sector Governance Crisis in Pakistan

By: Syed Asad Ali Shah

Corporate Governance - Current state, challenges and way forward

In today's global environment, all businesses are exposed to immense risks. In general, profit maximization is a major task of most corporations, in the eyes of the stakeholders. In such a scenario the role of corporate governance is essential in providing an appropriate level of control. Corporate boards are entrusted with a very difficult task to perform. The increasing pressure has led boards to gauge their performance and see how they can act as a value adding contributor to the success of the company.

This article walks through the changes brought about by the revised Code of Corporate Governance 2012, and discusses the levels of enforcement, and suggests an approach to governance beyond compliance. Mr. Shah highlighted the importance of good governance in companies and stressed the boards to assume accountability for both failure and success of companies they govern. Covering salient features of the revised Code of Corporate Governance 2012, he highlighted the importance of good governance in companies for attaining sustained success.

He mentioned the key changes brought about in the revised Code of Corporate Governance 2012 and suggested that the companies should implement the Code in its true spirit for attaining their business objectives rather than reducing it to a box ticking exercise. While emphasizing the need for elaboration of some provisions in the Code, he pointed out challenges faced by companies and the SECP as the oversight - body in implementation of the Code.

In the way forward, Mr. Shah stressed on the directors of listed companies that they should not consider corporate governance just for the sake of compliance, rather they should adopt an approach of **"beyond compliance"** aimed at enhancing long-term viability of the companies they govern.



Event Held at: Institute of Chartered Accounts of Pakistan

Attended By: A large number of Board Chairmen, Directors, Regulators and professionals dealing with the issues of Corporate Governance.