

## AGP takes note of addl perks of PSO chief

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**ISLAMABAD** (January 07, 2013) : The Auditor General of Pakistan (AGP) has taken serious note of additional perks and privileges approved by the Board of Management (BoM) of Pakistan State Oil (PSO) for its Chairman, recommending fixation of responsibility for the inappropriately large package. According to prevalent rules of business, Ministry of Petroleum and Natural Resources fixes the remuneration of Chairman of PSO and other organisations under its administrative authority. Normally, the Chairman is a non-Executive Director who is elected as Chairman from amongst Directors of the Board. However, Ministry influences and notifies the Chairman who later takes up the ratification from the board on a decision taken by the government. In the Companies Ordinance, Board is authorised to take decision and intimate the ministry accordingly. However, in case of perks and privileges, it is the Ministry which is competent to fix the perks and privileges which are notified for compliance by the company Chairman who is serving as Chairman of the Board or Chairman of Board of Management as in the case of PSO. The sources said, during April 2010 when for a short period Nazim F Haji was appointed Chairman of PSO, his perks were notified and communicated. Nazim F Haji was removed unceremoniously without assigning any reason. The Chairman or Director under Companies Ordinance can only be removed if he resigns or he is impeached in the AGM. Chairman completes his term after election and ratification before and by the general meeting. Official documents disclosed that the cabinet approved perks and privileges for the Chairman PSO Board on July 30, 2011 which were as follows: (i) Rs 25,000 per month as cooperation; (ii) 1300 cc car with a driver as transport facility and ; (iii) office accommodation within the premises of the company. PSO Board of Management in its meeting on February 9, 2012 went an extra mile against the Cabinet decision and raised perks and privileges of the Chairman from September 1, 2012. The documents further revealed that enhancements of perks by the board in contravention of the competency during 2011-12, the amount of Rs 2,491,925 was detected by the office of Auditor General of Pakistan. The office of Auditor General has asked to fix responsibility on the persons at fault and ordered to forthwith discontinue the additional perks and privileges which include Escort car with driver and petrol, 04 guards at residence and two guards all the time with Chairman, his (Chairman) travel in business class both domestic and international, and limitless cell phone facility. The office of the Auditor General has also segregated all these extra perks availed by the Chairman which are astonishing for a non executive and non-employed chairman. "As the board has approved all these perks and privileges, the issue will be taken up by the Public Accounts Committee (PAC) in terms of the conduct of the Board deemed to be providing public service as public servants as per section 21 of the Pakistan Penal Code which include Director/elect Chairman who is the beneficiary with the facilitation and connivance of both management and BoD", said an official on condition of anonymity. According to him, enhancement of perks and privilege does not fall under the domain of the BoD, hence they are also accountable for the wrongdoing in terms of the chapters normally expressed in all the acts and the laws with regard to the functioning of Chairman, Members, Managing Director.

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