

**WATER AND SANITATION SERVICES PESHAWAR
REVIEW REPORT ON STATEMENT OF COMPLIANCE WITH THE PUBLIC
SECTOR COMPANIES (CORPORATE GOVERNANCE) RULE, 2013
FOR THE YEAR ENDED JUNE 30, 2019**

RSM Avais Hyder Liaquat Nauman

Suit # 6, Block -A, 2nd Floor
Cantonment Plaza, Fakhir-e-Alam Road
Peshawar Cantt, Pakistan

**Review Report to the Members on the Statement of Compliance
with the Public Sector Companies (Corporate Governance) Rules, 2013**

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We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Water and Sanitation Services Peshawar (the Company) for the year ended June 30, 2019.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks. The Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended June 30, 2019.

Peshawar

Date: *March 20, 2020*

RSM Avais Hyder Liaquat Nauman
Peshawar
RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Engagement Partner: **Muhammad Arif Saeed**

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Rawalpindi : 92 (51) 5193135
Quetta : 92 (81) 262 9809
Kabul : 93 (799) 058155

**Statement of Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

Name of company **Water and Sanitation Services Peshawar (WSSP)**

Name of the line ministry **Local Government, Election and Rural Development, Khyber Pakhtunkhwa**

For the year ended **June 30, 2019**

- I. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.
- II. The company has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule no.	Y	N	Remarks																																															
			Tick the relevant																																																	
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																																																	
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes:	3(2)	✓																																																	
	<table border="1"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="9">Independent Directors</td> <td>Haji Muhammad Javed</td> <td>14-11-2017</td> </tr> <tr> <td>Engr. Tahir Azim</td> <td>14-11-2017</td> </tr> <tr> <td>Dr. Muhammad Iqbal Khalil</td> <td>14-11-2017</td> </tr> <tr> <td>Arbab Usman</td> <td>14-11-2017</td> </tr> <tr> <td>Mr. Shumail Butt</td> <td>14-11-2017</td> </tr> <tr> <td>Mr. Abdul Fayaz</td> <td>14-11-2017</td> </tr> <tr> <td>Mr. Khurshid Khan</td> <td>14-11-2017</td> </tr> <tr> <td>Prof. Dr. Rashid Rehan</td> <td>14-11-2017</td> </tr> <tr> <td>Prof. Dr. Bushra Khan</td> <td>14-11-2017</td> </tr> <tr> <td>Syed Shah Nasir</td> <td>14-11-2017</td> </tr> <tr> <td>Executive Directors</td> <td>Syed Zafar Ali Shah</td> <td>08-02-2018</td> </tr> <tr> <td rowspan="5">Non-Executive Directors (Ex-Officio Positions)</td> <td>Mr. Shahzad Khan Bangash</td> <td>14-11-2017</td> </tr> <tr> <td>Additional Chief Secretary</td> <td></td> </tr> <tr> <td>Mr. Shakeel Qadir Khan</td> <td>14-11-2017</td> </tr> <tr> <td>Secretary Finance Department</td> <td></td> </tr> <tr> <td>Mr. Zahir Shah</td> <td>18-09-2018</td> </tr> <tr> <td>Secretary LGE & RD Department</td> <td></td> </tr> <tr> <td>Mr. Sarfaraz Durrani</td> <td>01-03-2019</td> </tr> <tr> <td>Secretary Energy & Power</td> <td></td> </tr> <tr> <td>Mr. Mian Adil Iqbal</td> <td>31-10-2018</td> </tr> <tr> <td>Director General LGE & RD</td> <td></td> </tr> </tbody> </table>	Category				Names	Date of appointment	Independent Directors	Haji Muhammad Javed	14-11-2017	Engr. Tahir Azim	14-11-2017	Dr. Muhammad Iqbal Khalil	14-11-2017	Arbab Usman	14-11-2017	Mr. Shumail Butt	14-11-2017	Mr. Abdul Fayaz	14-11-2017	Mr. Khurshid Khan	14-11-2017	Prof. Dr. Rashid Rehan	14-11-2017	Prof. Dr. Bushra Khan	14-11-2017	Syed Shah Nasir	14-11-2017	Executive Directors	Syed Zafar Ali Shah	08-02-2018	Non-Executive Directors (Ex-Officio Positions)	Mr. Shahzad Khan Bangash	14-11-2017	Additional Chief Secretary		Mr. Shakeel Qadir Khan	14-11-2017	Secretary Finance Department		Mr. Zahir Shah	18-09-2018	Secretary LGE & RD Department		Mr. Sarfaraz Durrani	01-03-2019	Secretary Energy & Power		Mr. Mian Adil Iqbal	31-10-2018	Director General LGE & RD	
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