

Appointment of Chairperson OGRA upheld by Law Division

Apropos to a news item appearing in certain daily newspapers on the audit report covering year 2017-18 submitted to the Parliament by the Auditor General of Pakistan, the said Audit Para No.2.5.4.3, stipulated that there was a conflict of interest in the appointment of Ms. Uzma Adil Khan as Chairperson OGRA as before joining OGRA, she was the MD of SNGPL and also held the position of Chief Financial Officer, Company Secretary etc. during her tenure at SNGPL. She was allowed to come over to OGRA from SNGPL without gap period.

The said Audit para was responded to in detail communicating the legal advice of Law Division conveyed to the Cabinet Division vide their UO No.279/2018-Law-I dated 24-05-2018, which is reproduced below:

“The Chairman of the Oil and Gas Regulatory Authority shall be eminent professional and known integrity and competence with a minimum of twenty years of related experience in law, business, engineering, finance, accounting, economics or petroleum technology, public administration or management.

“Sub-section(2) of section 5 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002) says that no person shall be appointed by the Federal Government as a Member if he has any **direct or indirect financial interest** in, or has any connection which might reasonably be viewed as giving rise to a conflict of interest with any person involved in any regulated activity and no person appointed as a Member shall during his term in office have or maintain any direct or indirect financial interest in any person involved in any regulated activity and shall not at any time during their term of office engage himself in any other services, business, vocation or employment with any other person. Sub-section (3) ibid says that no Member shall take part in any decision, if such Member is, in any way, whether directly or indirectly concerned or interested in the decision, nor shall such member’s presence count for the purpose of forming a quorum at the time of any such decision.

Member means a member including the Chairman of the Authority.

In this case Ms. Uzma Adil after her retirement from Sui Northern Gas Pipelines Limited was appointed as Chairperson of the Oil and Gas Regulatory Authority. The issue of conflict of interest as stated above is relatable during the term of office. In our view her holding office in SNGPL prior to her appointment as Chairperson does not raise the issue of conflict of interest as she had already severed connection having been retired from the position held in SNGPL.”

For further information/ clarification, please contact:

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It is pertinent to mention that the following Members of OGRA have been appointed since its inception who held positions in the Sui Companies at various posts, which clearly shows that there has been no conflict of interest since the selection criteria laid down in the Ordinance 2002 clearly stipulates that the Member should have related experience:

- Mr. Munir Ahmed, Ex-Chairman OGRA (7-9-2000 to 6-9-2008), prior to appointment in OGRA served as Managing Director SSGCL & SNGPL;
- Mr. Javed Inam, Ex- Vice Chairman/Member (Gas) OGRA (7-9-2000 to 19-12-2006), prior to appointment in OGRA served as Managing Director SNGPL;
- Mr. Mehboob Elahi, Ex-Member (Finance) OGRA (23-9-2002 to 7-7-2003), prior to appointment in OGRA served as Senior General Manager SNGPL;
- Mr. M. H. Asif Ex-Member (Finance) OGRA (29-3-2004 to 11-2-2009), prior to appointment in OGRA served as Managing Director SSGCL;
- Mr. Aamir Naseem, Ex-Member (Gas) OGRA (23-12-2013 to 22-12-2016), prior to appointment in OGRA served as Senior General Manager SNGPL.

The Auditor General's Office for the first time in the year 2015-16 raised the objection on appointment of Mr. Aamir Naseem, challenging his appointment as Member (Gas) based on being Ex-Senior General Manager, SNGPL, terming it as conflict of interest. A similar case was also filed in the court as part of malicious propaganda against OGRA, challenging the appointment of Mr. Aamir Naseem as Member (Gas) (Ex-Senior General Manager, SNGPL) in pursuance of the honorable court's order an inquiry was held by the Federal Public Service Commission (FPSC) who concluded that "no conflict of interest has occurred on any count by the Federal Government while making the appointment of Mr. Aamir Naseem as Member (Gas). The Appointments were made by the Federal Government after due process and there was no violation of OGRA Ordinance".

The Departmental Audit Committee (DAC) recommended the para on appointment of Member (Gas) in violation of OGRA Ordinance for settlement. The Audit Para raised on appointment of Chairperson OGRA, Ms. Uzma Adil Khan is exactly of the same nature, hence there can be no doubt that it also stands settled.

The Auditor General's office was communicated the response of OGRA on this para on June 14, 2018 through the Section Officer, Cabinet Division.

Raising doubts on the appointment of any member of the Authority undermines the working of a judicious and fair regulator which is trying its best despite many challenges to fulfill its objectives.

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