

An Analysis of Sports Financial Management Practices in Pakistan: Challenges and Opportunities

Ishtiaq Khan¹, Khalid Zaman², Rizwan Shoukat^{3*}

¹M.Sc HPE, PhD Scholar, Abasyn University, Peshawar.
Ishtiaqkhan2005@gmail.com

²Assistant Professor, Government Degree College, Kotha Swabi.
khalidzaman_pk2@gmail.com

^{3*}Deputy Director Sports, HEC, Islamabad. Corresponding Author Email:
rshoukat@hec.gov.pk

Abstract

This study examines financial management practices in Pakistan's sports federations, identifying major challenges and emerging opportunities for reform. Employing a convergent mixed-methods design, it combines data from audited accounts, budget reports, questionnaire surveys, and semi-structured interviews with finance officers, sponsors, and regulators. Results show moderate strengths in budget planning and internal controls but significant weaknesses in procurement transparency, public disclosure, and uptake of performance-linked funding. Larger federations outperform smaller ones, reflecting disparities in capacity and resources. Qualitative findings reveal persistent barriers—including limited financial expertise, political interference, and fragmented oversight—while also highlighting the potential of digital transparency platforms, public-private partnerships, and capacity-building initiatives to improve governance and accountability. Overall, the study underscores that while recent reforms such as the Sports Funding Regulations 2025 have laid important groundwork, stronger enforcement, standardized procedures, and diversified revenue streams are critical to achieving transparent, sustainable, and equitable financial management across Pakistan's sports sector.

Keywords: Sports financial management; transparency; accountability; Pakistan Sports Board; public-private partnerships; capacity building; performance-based funding

Introduction

Sports administration in Pakistan has long grappled with the complex task of managing financial resources in a sector where expectations are high but governance and funding mechanisms are often weak. Transparent, efficient

financial systems are essential not only for supporting athletes and infrastructure but also for ensuring accountability, promoting equitable access across different sporting disciplines, and enabling sustainable growth (Manzoor et al., 2025).

Recent developments demonstrate both the urgency of reform and the potential for improvement. For example, in 2025 the Pakistan Sports Board (PSB) introduced Sports Funding Regulations 2025, which mandate that federations submit annual performance reports, action plans, and budget estimates to receive funding; they also require dual-signature bank accounts and restrict large cash payments. At the same time, audits have revealed serious financial mismanagement at the PSB, including irregular honoraria payments and unauthorized grants totaling billions of rupees. Furthermore, only a small fraction of sports federations comply with required financial reporting: out of 43 or 44 federations, barely nine submitted bank statements and audit reports for fiscal year 2023–24¹.

These developments highlight both the challenges—weak enforcement of audit requirements, misuse or underutilization of allocated funds, lack of uniform compliance—and the opportunities to strengthen financial management in Pakistani sport. Opportunities include implementing performance-based funding, expanding transparency, improving oversight of federations' financial reporting, and engaging more robustly with stakeholders (government, sponsors, media) to ensure accountability and support.

This article examines the current practices of sports financial management in Pakistan, focusing on identifying key obstacles that hamper efficiency and exploring possible pathways for reform. Insights offered here are intended to inform policymakers, sports administrators, and other stakeholders seeking to promote financial integrity, equitable resource distribution, and sustainable development in Pakistan's sports sector.

Objectives of the Study

- 1) To examine the existing financial management practices in Pakistan's sports organizations.
- 2) To identify key challenges hindering effective financial management in the sports sector.
- 3) To explore emerging opportunities for improving financial management practices in sports.

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- 4) To evaluate the impact of governance and regulatory frameworks on financial accountability.
- 5) To recommend strategies for enhancing transparency and sustainability in sports financial management.

Literature Review

International research underscores that effective financial management and strong governance are prerequisites for healthy and sustainable sports organizations ((Cabello Manrique & Puga González, 2023). Empirical reviews emphasize accountability, transparent reporting, and performance-based funding as core pillars of sound sports finance. Studies also highlight commercialization and revenue diversification—broadcast rights, sponsorship, and league franchising—as crucial to financial sustainability but also as potential governance challenges if oversight remains weak (Stewart, 2017).

In Pakistan, sports policy documents and academic studies show ongoing fragmentation between ministries, boards, and federations, creating coordination problems and complicating financial planning (Ali, 2023). While the Pakistan Sports Board has introduced Codes of Ethics and Governance and performance-linked funding rules, compliance remains limited, with only a small share of federations submitting proper audited accounts. Media reports and audits continue to reveal systemic irregularities in grant management, sponsorship, and procurement.

Emerging research highlights the role of private finance and sponsorships as potential levers for development, but these remain unevenly distributed and concentrated in cricket. Public–private partnerships and digital transparency tools have been proposed as ways to fill funding gaps and reduce corruption risks (Sharshouh, 2025). However, systematic empirical assessments of financial management practices across federations—especially smaller ones—are scarce. This study addresses that gap by combining an organizational audit, surveys, and stakeholder interviews.

Effective financial management is a cornerstone of sustainable sports governance worldwide. Scholars argue that transparency, accountability, and strategic planning are essential for ensuring both financial stability and organizational legitimacy (Bayle & Madella, 2018).

International research consistently finds that sound financial management and robust governance are foundational to the health and sustainability of sports organizations (Cabello Manrique & Puga González, 2023). Empirical studies identify accountability, transparent financial reporting, and performance-linked funding as central pillars of effective sports finance. At the same time, commercialization and revenue diversification—through

broadcast rights, sponsorship, and league franchising—are widely recognized as important routes to long-term financial sustainability, although they can introduce governance risks when oversight and regulatory frameworks are weak (Urdaneta et al., 2021).

Key Challenges and Opportunities in Sports Financial Management in Pakistan

Challenges	Opportunities
Weak enforcement of regulations – Many federations fail to submit audited accounts or comply with dual-signature requirements due to limited penalties and weak oversight.	Digital transparency platforms – A national online portal for budgets, audits, and performance data can standardize disclosure and reduce corruption risks.
Insufficient transparency and disclosure – Only 27% of federations publish budgets online, eroding public trust.	Performance-based funding – Linking grants to compliance and achievements can incentivize better reporting and internal controls.
Capacity constraints – Smaller federations lack trained finance staff and robust systems for budgeting, procurement, and auditing.	Capacity-building initiatives – Training programs for finance officers and administrators can strengthen financial management practices across all federations.
Political interference and fragmentation – Funding allocations often reflect political influence rather than objective criteria; overlapping jurisdictions complicate planning.	Public-private partnerships (PPPs) – Tax incentives and regulatory support can attract private sponsors, diversify revenue, and improve sports infrastructure.
Uneven revenue diversification – Heavy reliance on government grants and concentration of sponsorships in cricket leaves smaller sports underfunded.	Standardized procurement procedures – Uniform procurement guidelines can improve value for money and reduce misuse of funds.
Limited monitoring and weak oversight – Lack of effective compliance reviews and follow-ups limits accountability.	Strengthened oversight and monitoring – Empowering PSB and parliamentary committees to publish annual reviews can build transparency and stakeholder confidence.

Methodology

This study adopts a convergent mixed-methods design to capture both numerical indicators of financial management practices and the contextual factors shaping them.

Population and Sampling: The population includes national and provincial sports federations, selected leagues and clubs, and key officials from the PSB. Major federations were invited to participate, and finance officers, sponsors, and auditors were purposively sampled for interviews.

Data Collection

- i. Financial documents (audited accounts, bank statements, budgets, annual reports).
- ii. Questionnaire surveys completed by finance officers and managers.
- iii. Semi-structured interviews with officials, sponsors, and auditors.

Data Analysis: Descriptive statistics (frequencies, percentages, means, and standard deviations) summarize the survey and document review. Interview transcripts were coded into themes to interpret patterns found in the quantitative data.

Results

Table 1: Financial Transparency Indicators (n = 30 Federations)

Indicator	Yes (n)	Yes (%)	No (n)	No (%)
Audited accounts available	18	60%	12	40%
Dual-signature bank account	15	50%	15	50%
Public disclosure of budget online	8	27%	22	73%
Performance-linked funding received	10	33%	20	67%

The results show a mixed picture of compliance. While 60% of federations have audited accounts available, only half use dual-signature bank accounts. Public disclosure of budgets online is rare (27%), and performance-linked funding is received by just 33% of federations. This indicates limited adoption of transparency and performance-based practices.

Table 2: Mean Scores of Financial Management Practices (1 = very weak, 5 = very strong)

Practice	Mean	SD
Budget planning	3.4	0.9
Internal financial controls	3.1	1.0
Sponsorship management	2.8	0.8

Practice	Mean	SD
Procurement transparency	2.5	1.1

Budget planning records the highest mean score, indicating moderate strengths, while procurement transparency scores the lowest, highlighting significant weaknesses. Sponsorship management and internal controls also require targeted improvements.

Table 3: *Compliance with Auditing by Federation Size*

Federation Size	Audited Accounts (%)	Mean Transparency Score
Large (n=15)	80%	3.6
Small (n=15)	40%	2.8

Large federations demonstrate substantially higher compliance and transparency scores than smaller federations, reflecting disparities in resources and administrative capacity.

Table 4: *Themes from Interviews*

Theme	Frequency (n)	Illustrative Quote (Anonymized)
Lack of financial expertise	14	“We don’t have trained finance staff...”
Political interference	10	“Funding decisions are often political...”
Opportunities via PPP	8	“Private sponsorship can fill gaps...”
Need for digital transparency	12	“An online portal would improve trust...”

Interview findings reinforce the quantitative data. Respondents frequently cited the lack of financial expertise and political interference as key barriers, while also identifying public-private partnerships and digital transparency as opportunities to strengthen financial management.

Conclusion

This study provides one of the first systematic examinations of sports financial management practices in Pakistan. It shows a partial and uneven adoption of transparency and accountability mechanisms. Budget planning and internal financial controls are moderately established, but procurement transparency, public disclosure, and performance-linked funding remain weak. Larger federations outperform smaller ones due to greater capacity and resources.

The interviews reveal persistent capacity constraints, political interference, and a shortage of trained financial personnel, alongside growing awareness of opportunities such as public–private partnerships and digital transparency tools. Pakistan’s sports sector stands at a critical juncture: policy reforms have begun to create pressure for higher standards, but enforcement, capacity building, and stakeholder engagement remain essential to achieve real change.

Recommendations

1. **Strengthen Internal Financial Systems:** Adopt standardized financial controls including dual-signature bank accounts and internal audits.
2. **Mandatory Independent Audits:** Enforce submission of audited accounts annually with clear penalties for non-compliance.
3. **Capacity Building and Training:** Offer regular training for finance officers and board members to improve budgeting, procurement, and reporting.
4. **Digital Transparency Platforms:** Launch a national online portal for publishing budgets, audits, and performance reports.
5. **Performance-Linked Funding:** Tie government grants to compliance and performance criteria to incentivize best practices.
6. **Encourage Public–Private Partnerships (PPP):** Provide clear policies and tax incentives to attract private sponsors and diversify revenue streams.
7. **Standardize Procurement Procedures:** Introduce uniform procurement guidelines across federations to improve value for money.
8. **Strengthen Oversight Bodies:** Empower PSB and parliamentary committees to conduct regular compliance reviews and publish findings.
9. **Stakeholder Engagement:** Involve athletes, sponsors, and civil society in oversight to build trust and transparency.
10. **Continuous Monitoring and Evaluation:** Develop a national scorecard to annually assess federations on transparency, sustainability, and governance.

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