

8 SBP Banking Services Corporation

8.1 Overview

SBP-Banking Services Corporation (BSC) continued its efforts to transform itself into a dynamic institution serving its stakeholders in a professional and customer friendly manner. In recent years, BSC has undertaken various initiatives to improve quality of services and strengthen its organizational capacity. During 2007-08, efforts were made to enhance the skills of its available human resource, improve business processes re-engineering and update procedural/ operational manuals for achieving greater operational efficiency. To clearly define the role and responsibilities of its different departments and to align these with organizational objectives, new departments were created in the BSC. Newly created departments included Currency Management Department, Development Finance Support Department, Training & Development Department, General Services Department and Quality Assurance Department.

After successful completion of the change management process at State Bank of Pakistan (SBP), BSC has also embarked upon the process to bring change in its management and develop its human capacity. For the purpose, Personnel Management Department (PMD) has been reorganized and a separate Organizational Development Division has been created within the PMD to initiate and lead the process. In line with the policy adopted by SBP, a new Performance Management System (PMS) is being introduced in BSC to establish a linkage between individual performance and achievement of organizational goals as specified in the business plan of the respective department. The new PMS has been planned to replace the current Performance Evaluation Report in two phases. To improve physical infrastructure of the SBP, Head office of BSC and different field offices, the Engineering Department undertook a number of development activities including renovating different departments of the SBP housed in Main Building and Learning Resource Centre.

8.2 Currency Management

Currency management is one of the core functions of central banks. BSC, since its creation has been carrying out the responsibility of receipt, supply and exchange of banknotes and coins on behalf of SBP under section 5 (b) of the SBP Banking Services Corporation Ordinance 2001. The purpose of currency management is to build and maintain public confidence in the currency by preserving its value and integrity and by making available adequate stocks to meet the demand for currency, essential for proper functioning of the economy. Accordingly, efficient currency management throughout the country has always been a priority area for BSC. 17 percent increase in the quantum of currency in circulation (increased from Rs.893.4 billion as of 1st July 2007 to Rs.1,046 billion as on June 30, 2008) has made the management of currency a critical function requiring more professional handling. To carry out this important function, a specialized Currency Management Department (CMD) was established in BSC and put into practice from 7th August 2007.

Issuance of currency notes is carried out by BSC through its four issue circles located at Karachi, Lahore, Quetta and Peshawar offices along with currency chests / sub-chests established at the designated branches of National Bank of Pakistan (NBP), government treasuries and branches of commercial banks spread all over the country. A computerized system for issue accounting function is operating in all the four Issue Offices.

During the year under review, BSC continued its efforts to ensure adequate availability of fresh and clean banknotes and supply of coins. To ensure availability of good quality banknotes, CMD took various steps including vigorously monitoring availability of fresh notes to the general public by the commercial banks round the year. These efforts were further intensified in respect of distribution and monitoring of fresh notes on special occasions like Eid-ul-Fitr, Eid-ul-Azha and Christmas at all field

offices/ branches of commercial banks. BSC also arranged direct distribution of fresh notes to general public from its field offices on these occasions. For strict compliance with the instructions issued, special monitoring teams examined the distribution of fresh notes to general public by branches of commercial banks. Where irregularities observed, punitive actions were taken and heavy penalties imposed on commercial banks. These efforts yielded encouraging results and generally good quality banknotes are available in circulation.

During FY08, a new orange-green-yellow color banknote of Rs.20 denomination with revised color scheme was also introduced, as a part of SBP efforts to improve the security, durability and aesthetic quality of banknotes. The security features of new color banknote are similar to that brown color banknote of Rs.20 denomination presently in circulation. The new colour banknote would facilitate public to identify and distinguish the color combinations of new designed banknotes of Rs 10, Rs 100, Rs 500, Rs 1000 and Rs 5000 introduced earlier.

BSC focused on improving the quality of banknotes under circulation. In addition to regular supply of fresh notes, speedy disposal of soiled notes, and effective on-site monitoring have contributed to improve the quality of banknotes in circulation. Instructions were also issued to commercial banks to sort out banknotes into issuable and non-issuable categories and issue only clean banknotes to the public and remit the unstapled, soiled notes to the field offices of BSC. During FY08, a total number of 1.408 billion pieces of fresh notes were issued to general public directly and through commercial banks (see **Table 8.1**).

Table 8.1 Issuance of Fresh Banknotes during FY08

Figures in “000”

	<u>Denomination</u>						<u>Total</u>	
	10	20	50	100	500	1000	5000	
No of Pieces	640,040	159,233	13,335	310,104	121,436	143,187	20,870	1,408,204

Likewise a total of 1.157 billion pieces of soiled and non-issuable banknotes of various denominations were destroyed after following the prescribed process.

As a part of public awareness program and for image building of the institution a number of awareness sessions on security features of currency notes and prize bonds were arranged in different cities during FY08. In addition, pamphlets/ posters depicting security features of new design banknotes have been distributed among the public and displayed at prominent places of different cities of the country through BSC field offices/ commercial banks. The training of bank’s staff for detection of counterfeit notes is a regular feature of BSC training program. New training modules have been developed and delivered based on modern ways of efficient currency management in the country. Further steps in this regard include training of law enforcing agencies at Pakistan Security Printing Corporation to enable them to identify the difference between the genuine and a counterfeit note, supply of counterfeit detector equipments at all BSC offices, training of commercial banks’ staff in detection of counterfeit notes and interaction of officials of BSC with business community and market associations on currency management issues and counterfeit threats. Keeping in view the complexity of counterfeiting wherein hi-tech instruments and technology are being used in printing of counterfeit notes, the BSC is establishing a high tech forensic lab at its head office Karachi.

The processing time in sale and encashment of Prize Bonds and other government savings schemes has been reduced. One window operation has been introduced for quick processing of sale,

encashment and payment of profit for Special Savings Certificates and Defense Savings Certificates. Similarly in case of payment of prize money upto Rs.15000/- on Prize Bonds, payment is made on the same day (previously prize money over Rs.1000 was paid after 3 days of claim lodged) and if the payment is intended through payment order, considerable reduction in processing time has been achieved. An electronic queue management system has been introduced at all field offices of BSC with the objective to serve the customers efficiently. Many of the BSC offices have been renovated and more conducive environment is provided to the stakeholders.

With a view to improve operational efficiency, removing redundancies and incorporate all modifications made in instructions on different subjects, in some cases over 20 years ago, an exercise has been initiated to review manuals in respect of Issue Department and Banking Department of the BSC, both being the life line of its operations. An exercise has also been initiated to update the Office Procedure Manual. It is encouraging to report that much of the work has been completed and by the end of next year, BSC would be in a position to provide new manuals to its concerned officers. This exercise will not only bring in more efficiency in the work but would also help in enhancing the capacity and skills of the employees.

8.3 Banking Services to the Government

BSC is providing banking services to the federal, provincial and local governments through its 16 field offices across the country. Further agency agreement has been signed with the NBP to facilitate government departments and to work as agent through wide network of its branches to obtain cash, deposit government revenue locally and for other banking facilities. BSC provides consolidated data on government accounts to the Ministry of Finance, Accountant General of Pakistan Revenue and Accountant General of four provincial governments on daily/ periodical basis. During FY08, the total number of transactions pertaining to government receipts handled by BSC offices was 3.06 million as compared to 2.83 million transactions in preceding year. Total number of transactions pertaining to government payments was 3.37 million as compared to 3.41 million transactions in the same period last year. The consolidation of Zakat collection and maintenance of its balances is another important responsibility of BSC. The collection of Zakat during 2007-08 amounted to Rs.4.9 billion while the disbursement from Zakat funds made through field offices amounted to Rs.5.5 billion.

The tax revenue collected by BSC field offices and the network of NBP branches on behalf of the government is credited to the relevant accounts and reported to Federal Board of Revenue (FBR). During the year as part of the Collection Automation Project (CAP) this information is communicated to FBR electronically on a daily basis. CAP has also facilitated in providing printed receipts to the tax agents through Computerized Payment Receipt which has been successfully implemented in all BSC offices from December 1, 2007. This has also resulted in creating database of tax collection for better Management Information System.

8.4 Payment System

BSC continued to assist SBP in maintaining a sound and efficient payment and settlement system through a network of its field offices. BSC oversees the automated processing of financial instruments carried out by the National Institutional Facilitation Technologies (NIFT) through a country wide mechanism to process and settle the transactions between commercial banks. During FY08, NIFT has been allowed to extend their services at Mirpur, Jehlum, Sargodha, Abbotabad, Sahiwal, Bahawalnagar, Sadiqabad, Larkana and Nawabshah to undertake automated clearing, besides operations of NIFT at cities where BSC offices are located. For areas where NIFT is not present services of NBP are used for clearing and settlement. During FY08, the total number of instruments cleared through NIFT was 74.26 million as compared to 66.35 million in the preceding year. During the year all paper based payment instruments including Government Draft/ Bank Draft issued by field offices of BSC have been standardized and now these instruments are being printed through Globus system. Standardization of instruments has resulted in system printed and machine readable payment

instruments. Printing of Income Tax Chalang (withholding tax) is completely shifted to Oracle system from June 11, 2008. Field offices of BSC are also playing a proactive role in developing the Real Time Gross Settlement (RTGS) system by deputing a number of trained officers with the project team to provide logistic support and relevant information. With the assistance of project team of SBP, RTGS has been successfully implemented in Karachi with effect from 2nd July 2008. Field offices of BSC are instrumental in providing inter-bank settlement facilities to financial institutions through their current accounts maintained at each centre.

8.5 Foreign Exchange Operations and Adjudication

Monitoring of foreign exchange operations in the country is one of the major responsibilities of the BSC. Foreign Exchange Operations Department (FEOD) is responsible for day to day operations and implementation of policies issued by the Government of Pakistan and Exchange Policy Department (EPD) of SBP. These include core operational matter of imports, exports, commercial remittances, verification of exporter's performance and financial support of the government for import and export of fertilizer, cement, garments, home textile etc. FY08 witnessed a considerable role of FEOD in managing its performance in different areas of foreign exchange operations. The voluminous task of Core Operations Unit (COU) is carried out in terms of different chapters of Foreign Exchange Manual, booklet of instructions on import, export, commercial remittance, travel, insurance business etc and F.E. Circulars issued from time to time. More than 6,000 cases of different types were dealt in the COU during FY08 with regard to approval of remittance of foreign exchange.

During FY08, FEOD remained engaged in a number of cross departmental operational activities. The operational matters with all stakeholders particularly EPD, Statistics & Data Warehouse Department and Banking Policy & Regulations Department (BPRD) of SBP were actively pursued. The department also attended various references received from BPRD regarding supply of information to National Accountability Bureau for study and examination of Research & Development (R&D) claims of exporters indulged in fake claims. While attending the references received from SBP the department handled multiple data needs particularly submission of periodical data on R&D issues to EPD, Micro Finance Department for onward submission to Ministry of Finance, Ministry of Commerce and Ministry of Textile.

During the year under report, the offices of BSC managed huge task of government support schemes such as R&D support schemes for garments, home textile, fabric, footwear, freight subsidy on fertilizer and subsidized scheme for whole gram black. During FY08, the disbursement of funds against R&D claims was the priority at field offices of BSC. The field offices of BSC made payment of Rs.36.59 billion against 333,589 total paid cases received and found in order for payment. Time barred cases, claims for ineligible destinations; HS Codes etc. were not entertained.

While extending R&D support to facilitate exporter BSC remained vigilant in scrutiny of fake R&D claims. All such cases were promptly processed for penalization under relevant laws issued by the government. During the year, field offices followed a rigorous audit of R&D claims submitted by banks. As a result of close scrutiny of R&D support claims 35,542 cases were returned to Authorized Dealers on account of multiple discrepancies. Office-wise data on R&D disbursement is shown in **Table 8.2**.

During FY08, Foreign Exchange Adjudication

Table 8.2: Payments Made under R&D Scheme (All Categories)

(Amount paid in million rupees.)		
Field office	Cases paid	Amount paid
Faisalabad	61,920	7,056.361
Gujranwala	334	45.315
Hyderabad	1,333	270.712
Karachi	178,108	19,868.329
Lahore	66,632	7,303.199
Multan	3,041	583.889
Rawalpindi	1,485	194.137
Sialkot	20,736	1,272.435
Total	333,589	36,594.377

Department (FEAD) continued to assist exporters to realize export proceeds. The department received a total number of 905 cases during FY08 as compared to 634 cases in the preceding year. It disposed of 581 cases in respect of delinquent exporters on a country wide basis. As such the disposal to receipt ratio remained at 64.2 percent. The department managed realization of overdue export proceeds equivalent to US\$ 12.3 million as compared to US\$ 5.3 million in the preceding year showing an increase of US\$ 6.99 million or 131.5 percent. The details of amount realized by the Adjudicating Courts at Karachi, Lahore, Sialkot, Faisalabad and Multan, is given in **Table 8.3**.

A uniform strategy and standardized instructions/ manual has been developed by FEAD and provided to all the Adjudication Courts under which maximum efforts are being made to realize the stuck-up export proceeds.

8.6 Development Finance Support Services

Development Finance (DF) support activities earlier confined to organizing Local Credit Advisory Committee (LCAC) meetings experienced a big boost during FY08 with the establishment of Development Finance Support Department (DFSD) in BSC Head Office Karachi and opening its units in 13 field offices across the country to exclusively focus on this important function. The key functions assigned to this new department are a) dissemination and implementation of SBP DF policies at grassroots level, b) collecting feedback on the policies for consideration of DF Group of SBP, c) developing linkages with all key stakeholders at local level to adopt a joint strategy for increasing flow of financial services to un-banked/ under-banked areas/ sectors of the economy, d) monitoring regional trends and disparities in flow of funds, and e) conducting research studies and surveys to better explore the local DF markets.

The DFSD maintains a close liaison with DF Group of SBP and coordinates and directs the activities of the 13 DF Units, which have started functioning as local contact points for continuous interaction with stakeholders in their respective regions; each unit has been assigned a geographical area to undertake DF activities and programs. The units among other activities also arrange Agrifinance Melas/ farmers' meetings and SME finance workshop/ seminars to create awareness about the SBP/ financial sector policies and initiatives for SMEs and the farming community. Starting from the second half of FY08 most of the units organized 1-2 farmers' meetings/ Agri-Melas and 1-2 SME finance workshops during the year. The DFSD also organized an Interprovincial Agricultural Workshop to share and disseminate the provincial governments' initiatives and projects for increasing farm productivity. These programs have been very effective in enhancing awareness in farming/ business community about the financial services and also bringing the banking industry closer to farming/ business communities.

The LCAC forum was also strengthened and assigned to the DF Units. The agenda of the meetings and BSC response on the issues raised by stakeholders is now approved by DFSD to ensure consistency in BSC communications with the stakeholders. During the year each unit organized 4 LCAC meetings and in total more than 50 such meetings were organized by the BSC offices. Learning from the experience of LCAC meetings, separate Focus Groups for Agriculture, SME and Micro-finance have also been constituted in all BSC offices to exclusively review the trends in each of these sectors and evolve operational strategies to increase outreach of agriculture, SME and micro-finance in their respective regions. The focus groups are likely to harness greater ownership of SBP policies and initiatives to increase the flow of funds to each of these three sectors.

Table 8.3: Amount Realized By Adjudicating Courts

(million US dollar)

Adjudication Court	2006-07	2007-08	Increase/decrease (percent)
Karachi	1,496,649	5,460,847	264.8
Lahore	1,434,033	3,465,905	141.7
Faisalabad	1,281,468	2,357,151	83.9
Multan	434,797	388,458	-10.6
Sialkot	674,762	648,595	-3.9
Total	5,321,709	12,320,956	131.5

The DFSD and its Units also started monitoring regional trends in growth and development of agriculture, SME and micro finance to identify the regional disparities in flow of funds to these sectors of strategic importance and to take corrective measures to minimize these disparities. A comprehensive Development Finance Review for FY07 was prepared during the year which discussed in detail the depth and breadth of existing outreach levels and reasons for the inter-provincial and intra-provincial disparities in the flow of financial services, particularly the availability of credit facilities.

The DFSUs also started developing linkages with educational and research institutions in their respective regions to orient the academia to the emerging DF market in the country. Some of the DF Field Units and Chief Managers addressed seminars and workshops organized by educational institutions in their regions and also invited relevant faculty members in their meetings. This interaction with the academia would give rise to demand for DF related courses in the educational institutions and thus would be instrumental in improving the supply of trained human resources for the growing DF market in the country. The agricultural and SMEs surveys were also initiated in two districts (Sukkur and Gujranwala) on pilot basis to have a detailed understanding of the key issues faced by these sectors in these districts. These survey reports which would be available by the first quarter of FY09 are likely to provide some useful insights about the DF markets in the two districts.

The increased focus on DF during the year added a new dimension to the operations and functions of BSC and its field offices; the offices have now become a focal point in their respective regions to disseminate and implement SBP policies and initiatives particularly for improving the flow of financial services to un-banked and under-banked areas. The joint and collaborative efforts being harnessed by the field units across the country would facilitate SBP in achieving the objectives of Financial Inclusion Strategy that envisages development of an Inclusive Financial System to cater to the financial services needs of all segments of the society and all sectors/ sub-sectors of the economy.

8.7 Internal Audit and Controls

Internal Audit Department (IAD) provides an independent assessment of the adequacy of controls and compliance with the established policies and procedures of BSC through ongoing monitoring of the system of internal controls within BSC and ensures compliance with the fundamental principles of professional ethics, which includes integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Internal auditing activities includes monitoring of internal control, examination of financial and operating information, efficiency and effectiveness of operations including non-financial controls of the entity and review of compliance with laws, regulations and other external requirements and with management policies, directives, investigating fraud and safeguarding assets. IAD comprises Audit/ IT Audit Team, Enforcement Division, Off-site Surveillance Team, Development and Strategic Management Unit, Co-ordination Unit and Internal Audit Units.

IAD reports to the highest level of management and conducts audit of BSC field offices/ departments and NIBAF as per its Audit Plan. After automation, IT Audit is now the permanent feature of audit. The Audit Briefs containing major observations along with a detailed Audit Reports are submitted to Managing Director of BSC for review, comments and suggestions. Subsequently, the same is forwarded to the Executive Director, Internal Audit & Compliance Department, SBP for onward submission to the Governor. The compliance status of major findings is submitted to the Audit Committee for its review, suggestions and following up its directives.

During FY08, Annual Financial Audit of 13 field offices and 5 departments of BSC were carried out and recommendations were made to improve their operational efficiency. Audit Reports of 15 field offices and 5 departments of BSC have been issued to the concerned Chief Manger and Head of the Department enabling them to improve the gray areas of operations. Audit briefs of the 15 field offices

having significant irregularities have been submitted to the Managing Director for review. IT Audit of 13 field offices was carried out and relative reports have been issued with the suggestion to strengthen their internal controls within the system. Three meetings of Audit Committees were also held during FY08. In order to improve skills and knowledge of the staff of IAD, in-house trainings were arranged by the IAD on Audit Approach-Tools & Technique, Audit Command Language (ACL) and ERP Module.

8.8 Human Resource Management

During FY08, the managers of BSC laid greater emphasis on improving the efficiency of human resources and motivating their employees to upgrade their knowledge and skill. With a view to clearly define the role and responsibilities of its different departments and to align their activities as per organizational objectives, new departments were created in BSC. In order to develop internal capacity of the organization to take up the newly initiated process of change, the Personnel Management Department has been re-organized. The support functions earlier performed by PMD were handed over to the newly created General Services Department (GSD) which has allowed the department to focus on strategic and developmental issues. This restructuring process also included competitive reward system, effective learning and training and cutting down unnecessary layers in decision making. To strengthen the human capital base of BSC, the services of few professional and highly qualified officers of SBP have been acquired. In addition to professional development of staff, the BSC is also striving to bring positive change in the attitude and values of its employees. The BSC is also focusing on effective implementation of policies relating to performance appraisal, promotions, motivation through compensation management, rotation of jobs and training etc.

To establish a linkage between individual performance and achievement of organizational goals as specified in the business plan, a new PMS has been introduced in BSC as part of its organizational development initiatives. The PMS envisages identifying key results areas, setting goals, demonstrating desired behavioral competencies and identification of training needs for performance improvement in a consultative environment. The new PMS has been introduced in a phased manner to replace the current performance reporting system.

In order to rationalize the human resources in BSC an option for early retirement with some additional incentives was included in the Staff Regulations of BSC. Those employees, who do not want to continue their job due to one reason or another, have the option to opt for such early retirement benefits before attaining the age of superannuation. This has helped in reducing the working strength of BSC from 4,795 as of 30-06-2007 to 4,666 as on 30-06-2008 (see **Table 8.4**).

Sr. No.	Side	30-06-2007			30-06-2008		
		HOK	Field offices	Total	HOK	Field offices	Total
1	On secondment from SBP	13	8	21	25	11	36
2	On deputation to government departments	2	11	13	-	7	7
3	General side	379	2,019	2,398	408	2,073	2,481
4	Cash side	3	1,760	1,763	0	1,739	1,739
5	Engineering side	110	115	225	86	90	176
6	Other technical/ex-cadre etc.	98	277	375	98	129	227
	Total	605	4,190	4,795	617	4,049	4,666

8.9 Organizational Development

After completing comprehensive reorganization at SBP, change management process has been initiated at BSC to bring a corporate culture, efficiency, improving service delivery standards, change in culture/ environment, and streamlining processes to meet future challenges. Organizational Development (OD)/ Change Management Consultants are hired for BSC to conduct a detailed organization study with respect to its current state and level of preparedness for change. Considering the size and complexity of BSC, it has been decided to manage the process of Organizational Development/ Change Management in a well thought and planned manner. In the first phase, a diagnostic review of the organization is being carried out by the consultants who are expected to complete this within next four months. They will assess the present state of BSC with respect to the internal and external environment and stakeholders through extensive scoping; identify organizational problems in all areas of Organizational Development, assess the level of preparedness of the organization for initiation of the change management process and recommend immediate interventions for achievement of the desired minimum level.

To develop minimum required internal capacity of the organization to take up the newly initiated process of change, the PMD has been re-organized. To align its strategic objectives with the desired change process, support functions were assigned to the newly created General Services Department (GSD) which has allowed the department to focus on strategic and developmental issues while leaving the operational functions to GSD. Further, a separate dedicated Organizational Development Division has been created within PMD to manage the functions relating to OD/ Change Management. The key officers who had successfully implemented the change management initiatives in SBP over the last 4-5 years have been posted in this Division. To enable BSC to perform more effectively, a Quality Assurance Department and Development Finance Support Department have been created.

8.10 Training & Development

Training and Development Department established in August 2007 was entrusted with the task of streamlining HR capacity building efforts and to match those with the top managements' agenda of transforming BSC into a dynamic corporate institution portraying high delivery standards in a professional and customer friendly manner. The Training Department within a month of its inception prepared and circulated 'Training Strategy Paper' among the Heads of Departments and Chief Managers to get their feedback on proposed short and medium terms plans developed to bridge the competency gaps. Simultaneously, new training programs were introduced to bring immediate improvement in managerial and interpersonal skills. Repeated iterations of Customer Services, Leadership and Effective Team Building and Coaching & Counseling were arranged in the second half of FY08 ensuring representation of officers from almost all field offices. Apart from this specific function programs on 'Currency Management & Operations' and 'Foreign Exchange & Financing of Foreign Trade' were revamped to make them more compatible with the operational responsibility of the BSC.

With a view to transform training bias from supply oriented to demand driven trainings, BSC-wide Training Need Assessment survey was conducted to get the first hand information on prevailing perception of employees towards significance of training as a tool for career progression and to fix the competency gaps in relation to their present assignments. The survey outcomes blended with the supervisors' recommendations would help to bring more objectivity in training efforts and to materialize impact in a shorter span.

Moreover, crash programs were conducted to familiarize OG-4 and OG-5 employees on the adoption on new PMS with special emphases placed on enabling them setting of SMART goals as well as brining uniformity in the appraisal process.

As by 2008-09, the new PMS will also be applicable to OG-2 and OG-3 employees (about 975 in number); two programs on TOT were held for selected officers to make them useful resource to disseminate the knowledge needed to meet the PMS formalities at their respective field offices. During FY08, more than 1,800 officers participated in various training programs held at NIBAF (see **Table 8.5**), under in-house training arrangements and at other professional training institutions.

Table 8.5: Participation in Training Programs

Training institutions	No. of iteration/ programs	No. of participants
NIBAF	53	1183
In-house	27	538
IBP	14	55
PIM	8	25
Others	9	20
Total	111	1821

8.11 Business Planning

One of the important initiatives taken to streamline and strengthening the working of BSC was the introduction of business planning and budgeting process during 2007-08. The process was initiated with the training workshops for both senior and middle level managers of all departments and field offices to build and enhance their understanding about the process and its objectives. The departments and field offices prepared their business plans for 2007-08, which formed the basis for consolidation of development projects of BSC as a whole for 2007-08. The plans are instrumental in documenting as well as objectively assessing the performance of different departments and field offices besides inculcating strategic thinking and planning and budgeting culture across BSC. It also helped the management to monitor progress towards the strategic goals besides improving the performance evaluation system. The management of BSC carried out review of the progress of implementation of the development projects in January 2008. As a result of initiating business planning process in BSC, each department and field office has become accountable for their performance against the targeted goals.