

Corporate Governance



8 Corporate Governance

Strategic & Corporate Affairs Department (SCAD) is entrusted with the responsibility to facilitate and support the Corporate Governance Framework at SBP BSC. Being the host of the upcoming Strategic Planning Conference which is envisioned to redefine the Vision and Mission of SBP BSC (Bank), SCAD is destined to play a crucial role towards articulating the future strategic direction of the Bank.

8.1 Overview

The prime function performed by SCAD consists of facilitation and support to the Corporate Governance Framework at SBP BSC. The department reinforces the Management's efforts aimed at cultivating the Strategic Plans, delineating the business goals and implementing the same in accordance with the Bank's vision. For this purpose, Corporate Secretary Division (CSD) facilitates holding of meetings of SBP BSC's Board and its Committees on Audit and Human Resources, Heads of Department (HoDs) Forum, Chief Managers (CMs) Conference as well as Management Committees on various areas of operations. The department's charter has, therefore, been elevated as the repository of corporate information and records, besides acting as a proponent for improved corporate governance.

Box 8.1: Highlights

Corporate Secretary Division (CSD)

- Holding of meetings relating to SBP BSC's Board and its Committees on Audit and Human Resource.
- Compliance of decisions of the Board of Directors of SBP BSC and the CMT of SBP.
- Organizing meetings of Heads of Department (HODs) Forum and Chief Managers (CMs) Conference.
- Serving as the Secretariat for Management Committees on: (a) Strategy Development, (b) Business Process Reengineering, (c) Publications, (d) Budget, and (e) Enterprise Risk Management.
- Coordinating, Finalizing and Publishing of Annual Performance Review (APR).

Systems and Procedures Division (SPD)

- Steering the Strategic Planning Process at SBP BSC.
- Coordination of Business Planning Process of the Corporation.
- Serving as Secretariat of Urdu Cooption Committee (UCC).
- Streamlining BPR activities under a single domain, removing redundancy and delays.
- Centralized business applications system support for operational functions at SBP BSC in coordination with ISTD.

Systems and Procedures Division (SPD) of SCAD has been assigned the responsibility to coordinate and monitor the Business Planning exercise, in addition to facilitating the Business Process Reengineering (BPR) activity. As the business processes at SBP BSC are largely driven by Globus and Oracle ERP Applications, there is a continuous focus to make them more user-friendly and efficient. SCAD also finalizes and updates the web contents relating to SBP BSC placed on both internal and external websites. The department also serves as the secretariat of Urdu Cooption Committee (UCC), which has been set up to facilitate use of Urdu for official purpose.

8.2 Performance Review of Strategic and Corporate Affairs Department

8.2.1 Board and its Committees

An important addition to the functions of department as well as to the SBP BSC, during the year under review, has been to activate the Office of Corporate Secretary (OCS) which was earlier established. To serve the purpose, an experienced professional has been entrusted with the

responsibilities of the Corporate Secretary of the corporation in order to run the matters relating to the Board of Directors of SBP BSC and its committees in a smooth and effective manner. The CS Division serves as a secretariat for facilitating meetings of SBP BSC Board and its Committees i.e. Audit Committee and Human Resource Committee. The key functions involved are: following the best practices of corporate governance and implementation thereon; facilitate and act as a conduit between the Board members, senior management and stakeholders and working towards sustainable growth of the Bank by following up the decisions taken by the Board and its Committees. The position with regard to the Board and its Committee meetings held during the year under review is provided in **Table 8.1**.

8.2.2 HoDs Forum/CMs Conference

The management believes in a collaborative approach towards decision making process, for which two important fora viz. Heads of Department (HoDs) Forum and Chief Managers (CMs) Conference serve as the nucleus of decision making to facilitate efficient operations of SBP BSC. In this regard, SCAD has successfully managed to perform all the required functions, like issuance of notifications, development and circulation of agenda, coordinating with all stakeholders, drafting/dissemination of approved minutes and ensuring compliance of the decisions taken during these meetings. During FY16, the HoDs and CMs fora met nine times as against five meetings held during FY15.

Sr. No.	Name of the Forum	Total
1.	SBP BSC's Board of Directors	06
2.	Audit Committee of the Board	04
3.	Human Resource Committee of the Board	03

8.2.3 Management Committees Secretariat

SCAD has been assigned with the responsibility of spearheading the major operational functions to support collective decision making process of the management. The department also acts as a secretariat to the following committees of the management:

1. Management Committee on Strategy Development.
2. Management Committee on Business Process Re-engineering.
3. Management Committee on Publications.
4. Management Committee on Budget.
5. Enterprise Risk Management Committee.

The meetings of these Committees are held on periodical/need basis to make collective decisions in relevant operational areas. During FY16, the above mentioned Management Committees met six times.

8.2.4 Strategic Planning at SBP BSC

Strategic planning is considered to be one of the most important tools employed for the success of an organization and the task regarding formulation of Strategic Plan for the organization rests with SCAD. The initiative for development of Strategic Plan for the organization was taken by the management in 2014-15. After carefully evaluating the needs of the organization, the department prepared Expression of Interest (EOI) and Request for Proposal (RFP), which was published in national and international papers during September 2016 as per PPRA regulations. However, none of the firms who expressed interest could qualify the parameters laid down in RFP. Meanwhile, the management started working on various strategic initiatives: a) Amendments in the Ordinance of SBP BSC to expand the operational span of the organization within its mandate provided in SBP Act; b) outlining various

avenues for sustainable growth of the Bank; c) organizational restructuring by creating three major groups headed by Group Heads to facilitate the decision making and enhancing the accountability etc. Since these steps have already been taken, it is now intended to hire a Consultant who will facilitate the management in defining organizational strategy through upcoming Strategic Conference to develop a detailed Action Plan. The basic objective of this exercise will be to align the SBP BSC's strategic orientation with SBP Vision 2020. In this regard, SCAD has initiated an exercise through the hiring of the services of an experienced external consultant for finalizing the Strategic Plan implementation process in line with SBP's strategic direction.

8.2.5 Business Planning at SBP BSC

Another crucial function entrusted to SCAD is managing holding of Business Planning, for which it not only serves as a facilitator, but also operates as a coordinator in connection with the activities relevant to the said job. In this regard, the department endeavors to provide necessary facilitation in the process of monitoring the progress of an array of activities and projects approved in the Annual Business Plans. During the year under review, the Business Plan Exercise was rejuvenated and expanded by the management at the Regional Level for half-yearly review meeting as well as the approval of Business Plans for next year. All these meetings provided an interactive platform for the Field Offices/Departments to focus on the joint goals for furthering the cause of strategic recourse. During Business Plan Exercise for FY16, a total of 205 projects of all HOK Departments and Field Offices were reviewed.

Table 8.2 shows a Region-wise comparison of projects (HOK Departments, and South, Central and North Regions) reviewed in Business Plan Exercise of FY15 and FY16.

Sr. No	Regions	FY15	FY16
1.	HOK Departments	49	63
2.	North Region Field Offices	38	39
3.	Central Region Field Offices	36	60
4.	South Region Field Offices	18	43

8.2.6 Annual Performance Review

Annual Performance Review (APR) is the flagship publication of SBP BSC which encapsulates detailed appraisal of the activities performed during a financial year. As part of its preparation, SCAD seeks information from all Departments and Field Offices regarding various key milestones and operational goals achieved by them during the year. The information so received is compiled in a systematic and cohesive manner. The Management Committee on Publications, which supervises the finalization of the contents of APR and its design, is assisted by the department. SCAD also coordinates with the Bank's Printing Press for the printing of APR and its distribution to the concerned Field Offices/Departments.

8.2.7 Urdu Cooption Committee

The Urdu Cooption Committee (UCC) was formed for cooption of Urdu as a medium of communication at the organizational level in the light of directives issued by the Government of Pakistan to adopt Urdu as an official language. The UCC has achieved many milestones including printing of various application forms, which are being used by the general public, in Urdu, placing nameplates in Urdu at Head Office, Karachi as well as in Field Offices etc. During the year under review, the Urdu Cooption Committee held four meetings.

8.2.8 Standardized Written Communication/ Correspondence

An important job assigned to SCAD during FY16 related to the standardization of written communication/correspondence in SBP BSC, internal as well as external, so as to make the process consistent throughout the Corporation. In this regard, relevant Standard Operating Procedures

(SOPs), samples of Letterhead, Inter Office Memorandum (IOM), etc. were prepared and circulated for implementation as from July 1, 2016.

8.2.9 Systems & Procedures

Systems and Procedures Division (SPD) of SCAD is entrusted with the responsibility of providing services and solutions across SBP BSC for efficient utilization of the core business solutions developed through Globus and Oracle Applications. For the purpose, SPD continues to initiate and seek active feedback from different users, aimed at bringing about consistent improvements in operational activity as well as strengthening of system-based internal controls. SPD ensures close interaction with users throughout the business planning, business process re-engineering activities and improvements in the monitoring processes. Frequent interaction with users facilitates SPD in prioritizing the developmental needs for new system applications and/or improvements in the existing processes in close coordination with Information System Department.

SPD provides first level helpdesk support to 16 Field Offices of SBP BSC and its Head Office in the areas of Globus Banking (Public Accounts Unit, Deposit Accounts Unit, Prize Bonds, NSS and Export Refinance etc.) and Globus Currency till the Close of Business signal is received from all offices. A comparison of the number of incidents resolved during FY15 and FY16 is shown in **Table 8.3**.

Major achievements of SPD during FY16 are as under:

Table 8.3: Number of Helpdesk Incidents Raised and Resolved during FY15 and FY16		
	FY15	FY16
Globus Banking	11,507	10,570
Globus Currency	4,473	3,446

1. Implementation of Globus Dashboard for MD, HoDs, CMs, & DCMs.
2. Implementation of Direct Debit version of LC Payment Transaction between Rawalpindi and Islamabad Office.
3. Development of Email Alert for entries of Receivable/Payable Accounts on daily basis.
4. Facilitation to Users of Globus Banking and Currency Issue for preparing Test Scripts for each and every Version in live environment and preparation of Globus and CGSBP Helpdesk versions Test Script in connection with the upgradation of Globus Banking and Currency to Globus T24.
5. Development of SOPs for Helpdesk operations in collaboration with ISTD.
6. Development, finalization and approval of contents for the revamped SBP BSC Website which is now live.

8.3 Going Forward

SCAD is expected to continue its role as the neurocentre for the Bank by augmenting its diversified and challenging activities. The special activity chalked out for the year FY17 is the development of SBP BSC Strategic Plan. The department intends to finalize the plan in a two-day Conference assisted by an experienced consultant, based on various significant strategic initiatives already taken by SBP BSC and improving and aligning them with the strategic objectives of SBP as per its Vision 2020. SCAD also plans to build efficiency in the use of system-based applications by all the Departments and Field Offices of SBP BSC, particularly after the planned up-gradation of the Globus T-24 Application during the year. The department looks forward to expanding the Dashboard for augmenting the ongoing efforts to improve MIS for the senior management, besides facilitating the role of Globus as a supervisory tool.