Corporate Governance

9 Corporate Governance

Strategic & Corporate Affairs Department (SCAD) is responsible for facilitating the implementation of Corporate Governance Framework at SBP Banking Services Corporation. The Department is also entrusted with the task of coordinating the strategic planning process and business planning exercise at SBP BSC.

9.1 Overview

Strategic and Corporate Affairs Department is primarily mandated to facilitate and support the Corporate Governance Framework at SBP BSC. The Department strives to attain its objective through various workstreams in accordance with the Bank's Vision.

The Department is comprised of two major divisions i.e., (i) Corporate Secretary Division (CSD) and (ii) Systems and Procedures Division (SPD).

The Corporate Secretary Division is responsible for holding meetings of different forums, which include SBP BSC Board, SBP BSC Board Committees on Audit, Human Resource, Security Review, Publications Review, Heads of Department (HoDs) Forum, Chief Managers (CMs) Forum, Management Committees on various areas of operations as well as of other committees as and when constituted. The Department's charter permits it to serve as the repository of corporate information and records as well as to act as a proponent for international best practices of corporate governance.

Box 9.1: Highlights
- Organization of meetings relating to SBP BSC Board of Directors and its Committees on Audit, Human Resource and Security Review.
- Organization of meetings relating to Heads of Department and Chief Managers' Forums.
- Compliance of decisions of the Board of Directors of SBP BSC and CMT of SBP by the concerned departments of SBP BSC.
- Serving as Secretariat to the Management Committees on: (a) Business Process Re-engineering, (b) Strategy Development, (c) Publications and (d) Urdu Co-option Committee.
- Coordinating, Compiling and Publishing of the Annual Performance Review of SBP BSC.
- Steering the Strategic Planning Process at SBP BSC.
- Coordination of Business Planning Process of SBP BSC.
- Streamlining Business Process Re-engineering activities under a single domain, removing redundancies and delays.
- Centralized business applications system support for operational functions at Field Offices and HOK in coordination with Information Systems Department.
- Active role in successful implementation of Globus T-24 Banking upgradation.
- Implemented the Executive Letter Management System in HOK departments and imparted training to the users.

Systems and Procedures Division coordinates and monitors the Business Planning exercise at SBP BSC, in addition to facilitating Business Process Reengineering (BPR) activity. Moreover, SPD also plays a pivotal role in continuous development of business applications being used by SBP BSC in close coordination with Information Systems Department (ISD) of SBP. These include T-24 (updated version of Globus Temenos) and Oracle ERP application. This Division is also responsible for timely updation of SBP BSC external and internal websites.

9.2   Performance Review of Strategic and Corporate Affairs Department
9.2.1   Board and its Committees
As the driver of Corporate Governance Framework at SBP BSC, Strategic and Corporate Affairs Department is responsible to facilitate conducting of meetings of SBP BSC Board and its Committees on Audit, Human Resources, Publications Review and Security Review.

9.2.1.1 Security Review Committee
The SBP BSC Board Committee on Security Review was constituted by the Board in its meeting held in Bahawalpur on January 6, 2018. Its mandate is to do a one-time review of the security measures in place and provide input to the management on existing safety aspects of the Bank including cyber security components and security of gold vaults. SCAD organized three meetings of Security Review Committee in FY18.

Table 9.1: Meetings of the SBP BSC Board and its Committees (Audit, HR and SRC) held during FY18		
Sr. No.	Name of the Forum	Number of Meetings held
1.	SBP BSC's Board of Directors	06[13]
2.	Audit Committee of the Board	08
3.	Human Resources Committee of the Board	04
4.	Security Review Committee of the Board	03[14]

9.2.1.2 Publications Review Committee
The Publications Review Committee (PRC) was set up by SBP BSC Board of Directors in its meeting held on June 30, 2018. The PRC is mandated to assist the Board in fulfilling its oversight responsibilities relating to the review and approval of the Annual Performance Review (APR) and other publications of SBP BSC. The details of SBP BSC Board and its Committees meetings held during FY18 are provided in **Table 9.1.**

9.2.2   HoDs Forum/CMs Forum
The management believes in a collaborative approach towards decision-making process. Heads of Department Forum and Chief Managers' Forum serve as important mediums for deliberating upon various significant issues and policies relating to the operations of SBP BSC. In this regard, SCAD has successfully performed all necessary functions like issuing notifications, circulating agenda, drafting / disseminating minutes and ensuring compliance of the decisions taken during the meetings of these two forums. During FY18, the HoDs and CMs forums met five times.

9.2.3   Management Committees Secretariat
SCAD has also been entrusted with the responsibility of spearheading the major operational functions to support collective decision-making process of the management. The Department acts as a Secretariat to the following committees of the management:
1. Management Committee on Strategy Development.
2. Management Committee on Business Process Reengineering.
3. Management Committee on Publications.
4. Urdu Co-option Committee.

The meetings of these Committees are held on periodical/need basis. The Management Committees met four times during FY18.

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[13]Including one exclusive meeting of SBP BSC
[14] All three exclusive meetings of SBP BSC, which were also attended by concerned departments of SBP by invitation

9.2.4 Strategic Planning at SBP BSC

Strategic planning is considered to be one of the most important activities employed for the success of an organization. The prime goal of a corporate strategic plan is to clearly identify the organization's objectives. The task regarding coordination and formulation of Strategic Plan for SBP BSC rests with SCAD. In this regard, various important measures being taken by the management, are intended to broaden the working scope of SBP BSC by adding new areas, while comparing the model of the organization with central banks having similar functions and scope. The basic objective of this exercise is to focus on value addition to the provision of services being provided as an operational arm to the central bank, while aligning the SBP BSC's strategic orientation with the strategy goals defined in SBP Vision 2020.

9.2.5 Business Planning at SBP BSC

SCAD spearheads the Business Planning function at SBP BSC. After formally kicking off the exercise every year, SCAD facilitates the stakeholders at each Group/Department/Region and Field Office by closely coordinating in drafting of plans on approved templates and arranging rationalization, prioritization and review meetings with higher management. It also assists senior management and other stakeholders in approval and continuous monitoring of business plan projects. Moreover, once the proposed business plan projects are approved, SCAD consolidates the details of all projects in the form of a yearly Business Plan Booklet, which is published and disseminated to concerned stakeholders at Departments & Field Offices and placed on the internal website. SCAD also assists higher management in the compliance of action items emanating from Business Plan review meetings of each Group, Department, Region and Field Office of SBP BSC.

During the year under review, SCAD undertook development of a revised Business Planning Manual to incorporate organizational restructuring, i.e. inclusion of Group & Regional Head positions and also updated / revised the activities and procedures while considering the current practices of Business Planning process at SBP BSC. In this respect, development process was enhanced to provide a clear roadmap (with timelines) to Departments and Field Offices for preparation of their Business Plan projects in a timely manner. Secondly, the review process of Business Planning Exercise was revised for improved rationalization, decision-making and effective management by appropriately incorporating the new higher management cadres of Group and Regional Heads. Additionally, annexures of the Business Plan (PowerPoint and excel sheet formats) utilized to monitor and carry out the quarterly, midyear and yearly reviews were modified to standardize the scrutiny, administration and presentation of the Business Plan projects. SCAD also developed a master sheet/database to record and maintain status of all business plan projects of SBPBSC for effective and enhanced monitoring. During Business Plan Exercise of FY18, 334 projects of all HOK Departments and Field Offices were reviewed. **Table 9.2** shows HOK Departments and Region-wise comparison of projects.

Table 9.2: Region-wise Comparison – Number of Business Plans/Projects Reviewed/Processed during FY17 and FY18			
Sr. No.	Regions	FY17	FY18
1.	HOK Departments	63	69
2.	North Region Field Offices	57	80
3.	Central Region Field Offices	84	97
4.	South Region Field Offices	86	88
Total		290	334

9.2.6 Annual Performance Review

Annual Performance Review (APR) is the flagship publication of SBP BSC, which encapsulates detailed appraisal of the activities performed in terms of various functions of the organization during a financial year. The preparation of APR includes soliciting the input/feedback from all departments

regarding their key achievements, its compilation as a single comprehensive document after doing necessary editing and proofreading etc. Previously, only the Management Committee on Publications used to supervise the finalization of APR contents and its design. However, with the establishment of Publication Review Committee of SBP BSC, the function of providing oversight regarding review and approval of the Report will now be performed by the Board Committee. SCAD, in close coordination with the printing press of SBP BSC, ensures timely printing and distribution of APR to the stakeholders.

9.2.7 Systems and Procedures

SCAD provides support and services for effective utilization of T24 Banking and T24 Currency Systems across the Corporation, which enables the smooth close of business at all 16 Field Offices on daily basis. For the purpose, SCAD, in close coordination with Information Systems Department (ISD)-SBP, continues to liaison with all departments for their active feedback, which is aimed at making periodic improvements in the operational/transactional activity and strengthening of system-based internal controls.

Table 9.3: Number of Helpdesk Incidents Raised and Resolved during FY17 and FY18		
Area	FY18	FY17
T24 Banking	14,076	11,550
T24 Currency	6,467	4,253

The Department provides first-level Helpdesk Support through its Systems and Procedure Division to 16 Field Offices of SBP BSC and its Head Office in areas of T24 Banking (Public Accounts Unit, Deposit Accounts Unit, Prize Bonds, National Savings Schemes and Export Refinance etc.) and T24 Currency until the Close of Business signal is received from all the Field Offices. A comparison of the number of incidents resolved during FY18 and FY17 is shown in **Table 9.3**. An upsurge in incidents resolution suggests that an increasing number of employees have now been making an effective use of core banking and currency solution applications installed across SBP BSC.

9.2.8   Globus T-24 Banking Upgrade

During the year, T-24 Banking upgrade project was successfully completed across the Corporation and is live since 11th December 2017. SCAD played an active role as part of the testing/training/implementation team for the aforementioned project. SPD, being part of the T-24 Project Steering Committee, continuously monitored the process. It is pertinent to mention here that Banking Helpdesk - Information Systems Department and Globus Helpdesk - Systems and Procedures Division participated in Super Users Training of T-24 across the Corporation, without impacting the daily Helpdesk support for Globus system, by working for extended hours.

9.3   Future Outlook

1. SCAD endeavors to continue its role as the nerve-centre for the Bank operations and to play its part in devising effective Decision Support System for the senior management by way of augmenting its diversified and challenging activities.

2. One of the significant projects planned for FY19 is the development of SBP BSC Strategic Plan for which the management plans to align it with the strategic initiatives defined under SBP Vision 2020.

3. SCAD also plans to build efficiency in the use of system-based applications by all Departments and Field Offices of SBP BSC, particularly after the successful upgradation of Globus T-24 Banking Module during FY18 and T-24 Currency Module during FY17.

4. SCAD also plans to employ automation in Business Planning process, implement a custom-built application wherein Field Offices and Departments can directly input their projects information, quarterly status updates and MIS reports, which will be available for Field Offices/Regions/Departments /Groups.

5. Moreover, with the implementation of Executive Letter Management System, spearheaded by SCAD across HOK Departments, the cases and correspondence recording and monitoring will be more efficient. SCAD has actively participated in drafting the taxonomy of its Workflow Management System, an application already in its phase-wise implementation at SBP and SBP BSC, to move towards a paperless work environment.