

# 10 Information Technology and Infrastructure Development

## 10.1 Overview

During FY08, SBP Banking Services Corporation (BSC) continued its efforts to increase the use of information technology for improving efficiency in its day-to-day operations. Information Systems and Technology Department of State Bank of Pakistan is providing reliable IT support to BSC in improving the quality and usage of technology in its operations. In order to resolve system related issues promptly and better coordination between IT support team and end users, System and Procedure Units (SPUs) have been established at BSC head office Karachi (HOK) and field offices. This has not only helped in consolidation of the system but also taken care of business continuity and disaster recovery plans in the emergency. Because of the critical role played by SPUs in providing IT solutions in all operational matters, it has been ensured that their services remain available at all times. With the continuous support of SPUs, the departments and field offices of BSC are now able to channel their efforts towards their core functional responsibilities while the IT related issues are taken care of by the officials of the SPUs. Apart from above, in the event of any threat to the system, business continuity planning (BCP) has been put in place to take care of such situations.

In order to maintain pace with contemporary demands of IT usage as an effective channel for communication, a separate e-mail account under the name of SBP-BSC Broadcast has been created during the year under review to immediately disseminate important information regarding SBP, SBP-BSC HOK/ field offices to all employees of the organization. SBP-BSC Broadcast is being used to communicate policy matter, issuance of circulars and any announcements meant for a large number of internal stakeholders.

IT Audit is now a regular activity in BSC that covers all business cycles pertaining to IT systems. Various components of IT Audit such as pre audit, post implementations studies and regular IT audit are being conducted in accordance with the internationally accepted norms and approaches.

During FY08, various new modules of Globus, Oracle ERP applications and CI-Globus were successfully implemented at different offices of BSC to enhance efficiency in service delivery mechanism and discontinuation of manual preparation of books/ registers. Main achievements during the year under review were implementation of Cash Management Module through which inter-office accounts will be reconciled via system, Centralized Supplier Management System and Oracle based system for printing of Income Tax Chalan. Further, refresher and on job trainings of Globus, CI-Globus and Oracle were arranged to enhance the skill level of BSC employees.

## 10.2 Role of Information Systems and Technology Department of SBP

Information Systems and Technology Department (ISTD) of State Bank of Pakistan is playing an important role in meeting the automation requirements of SBP-BSC and providing technical solutions for improving the operational efficiency of its departments and field offices. ISTD is providing technical services in all automated areas viz Globus Banking

solutions, Oracle ERP module and its allied components. The department has also helped BSC in capacity building and upgradation of infrastructure to improve the network facilities including exchange and windows servers. The department has formulated specific guidelines on information systems/ IT security policies and procedures to standardize and streamline IT operations and widely disseminated the same amongst all IT users in BSC.

### **10.3 Role of System and Procedure Units of BSC**

SBP-BSC has established SPUs at its head office Karachi and all the field offices. SPU of Accounts Department HOK coordinates with the SPUs at field offices with the objective to facilitate in solving day-to-day software related issues raised from time to time and maintenance of database in consultation with ISTD. The main responsibility of SPU at HOK is to watch the system operations and provide guidance to all SPUs of the field offices for smooth running of the system, improve performance level of users and get better understanding of the system and procedure. Main activities performed by the SPUs in BSC are as under:

- Provide end user support and facilitate in carrying out transactions through the system.
- Keep track of the system performance as well as user performance by proactively getting user's feedback and keeping an eye on the network speed.
- Coordinating with ERP and Globus help desks to resolve system related issues promptly. The SPU at HOK acts as a facilitator between the helpdesk and end users with the aim that SPU personnel will gradually develop inside understanding of the system at a certain level which will in the end provide offices with experts locally. This will create a second line of experts at the field offices that will reduce the number of complaints forwarded to Oracle/ Globus help desks.
- Help the users to get better understanding of the system. One of the key responsibilities of SPU is to develop the confidence of end users in the system by arranging short term training sessions for them as refreshers.
- SPU is also responsible for performing certain End of Day (EOD) and End of Period checks of the system.

### **10.4 Globus Banking Solutions**

Globus banking system is the most comprehensive and flexible business functionality with the most advanced and scalable architecture. After implementation of Globus system in BSC, business activities pertaining to banking, treasury and other related areas are carried out more conveniently. Most of the functions performed by BSC offices have been switched over to Globus by discontinuing manual processes. All relevant reports are generated through this system immediately which has saved time altogether. Besides, on-line data of all offices remains readily available to meet any emergency need. After deployment of Globus in banking and treasury operations, the transactions are recorded easily and standard reports are generated according to requirements. The areas in banking have been fully automated in Globus and the system is functioning smoothly. Further, General Ledger Reports which were previously available on Oracle only are being generated through Globus also. Efforts are also being made to gradually replace manual registers/ vouchers with system generated reports/ instruments which will reduce paper based record and space requirement for their storage.

## **10.5 Oracle Enterprise Resources Planning**

In FY08, BSC has smoothly run the third annual closing through Oracle application. The Oracle application has been implemented in all BSC offices as well as HOK and operations in HRMS, Financial, Distribution and other customized modules for Medical Services, payroll, staff advances, funds and pension are being carried out satisfactorily. After implementation of Oracle in BSC, the use of manual registers, vouchers and other such papers has been reduced to a considerable extent. The main achievements for the year are highlighted in the following paragraphs.

### ***10.5.1 Centralized payment of withholding tax***

Previously, Income Tax Chalans were sent to Karachi office by various departments of HOK which created problems in reconciliation. Now payment of withholding tax has been centralized at Payment Controller Unit, Accounts Department HOK. This has facilitated in reduction of entries in inter-department reconciliation and ensured timely submission of returns to concerned authorities.

### ***10.5.2 Technical support to offices for transfer of EDP items***

At the time of inception of SBP-BSC, EDP items were physically transferred from State Bank of Pakistan to BSC. However, the cost of EDP items, net book value, accumulated depreciation and other details were not available in the Oracle system. SPU at BSC HOK has provided technical support to all beneficiaries in physical verification of all computers/ EDP items, their reconciliation with Oracle record and recording and updating the position in Oracle system (FA Module).

### ***10.5.3 Implementation of Cash Management Module***

Cash Management Module is one of the modules of Oracle Financials which helps in managing and controlling inter-entities reconciliation. This module is designed to reconcile payments and receipts recorded in Oracle Payables, Receivables, General Ledger and any external system. The customization of interfaces of all major systems with Cash Management and changes in some of the current processes has enabled BSC to use this system for reconciliation of Inter Company accounts. Like Oracle Payables and Oracle Purchasing Modules, Oracle Cash Management Module is also based on operating unit and as such, a separate Cash Management Module was needed for each operating unit. On completion of this exercise, the reconciliation of Inter Company Account-Receivables/ Payables was started through the system. During FY08, the first phase of implementation of Cash Management Module has been completed and module is being run parallel with manual reconciliation and issues are being resolved simultaneously.

### ***10.5.4 Generation of Income Tax Chalans through System***

Manual Income Tax Chalans have been dispensed with and replaced by system generated chalans with effect from 11<sup>th</sup> June 2008. All approved withholding tax invoices are paid through Oracle based system by payment batch. System generates two payment numbers, one for goods and other for services. Income Tax Chalans printed through the system with system generated payment numbers at HOK are sent to Karachi office for credit to relevant account.

### 10.5.5 Routing of Loans and Funds through AP Module

All loans and advances are routed through AP Module since October 2007 for better tracking and reconciliation of accounts. This system has been centralized at Payment Controller Unit of Accounts Department and facilitates in obtaining information about payments on any specific date or during a specified period. The cases of General Provident Fund/ Provident Fund refundable/ non-refundable, advances/ final payments to the employees on retirement/ separation from job, refund of temporary advances/ staff advances processed by concerned units separately are reflected in the system at Payment Controller Unit as the system is centralized and directly integrated with Oracle General Ledger.

### 10.6 Infrastructure Development

In order to make automation process more successful in BSC, requirements of hardware are met out on priority basis through ISTD. Below is a comparative position of EDP equipments held by HOK and field offices as at the end June 2007 and end June 2008.

**Table 10.6 Comparative Status of EDP Equipments (Computer related Hardware)**

S #	Office	P.C		Printer		Scanner		Others*	
		2007	2008	2007	2008	2007	2008	2007	2008
1	HOK	176	251	53	59	5	5	16	20
2	Karachi	289	328	149	151	3	3	-	-
3	N. N. Karachi	60	69	19	22	1	1	15	15
4	Lahore	279	301	133	133	1	3	5	8
5	Rawalpindi	124	137	34	34	1	1	29	29
6	Islamabad	113	121	36	36	4	4	2	3
7	Peshawar	115	121	21	21	1	1	1	3
8	Quetta	75	79	40	40	1	1	3	4
9	Faisalabad	98	103	25	25	2	2	6	8
10	Multan	74	85	26	26	1	1	7	7
11	D. I. Khan	41	43	26	26	-	-	2	2
12	Hyderabad	62	77	20	22	-	-	-	3
13	Sukkur	65	69	22	22	-	1	2	2
14	Muzaffarabad	49	58	19	19	1	1	1	2
15	Sialkot	65	73	40	42	1	2	3	4
16	Bahawalpur	53	62	25	25	1	1	4	5
17	Gujranwala	46	51	37	37	1	1	1	6
<b>Total</b>		<b>1,784</b>	<b>2,028</b>	<b>725</b>	<b>740</b>	<b>24</b>	<b>28</b>	<b>97</b>	<b>121</b>

\*Others represent UPS, Multimedia, Laptop, Stabilizers, Servers, Port Switches, Radio Modem Routers, Firewalls Modem, SAT Modem and DTU's.

### 10.7 Office Automation Training

Continuous training is essential for smooth running of various software and also to provide opportunities for capacity building. During FY08, various refresher training programs in Globus and Oracle systems were conducted at BSC offices and HOK with the coordination of ISTD and Training and Development Department of BSC in order to update and enhance the level of knowledge of employees. Details of training imparted to the employees in Office Automation during FY08 are given hereunder:

**Table 10.7 Office Automation Training arranged for BSC employees during 2007-08**

Office	Number of participants attended the course				
	FBR Revenue Collection System	Basic Office Automation	Oracle ERP Application	Globus Banking Solution	RTGS (PRISM)
HOK	-	4	45	-	-
Karachi	-	-	40	-	12
N. N. Karachi	-	2	8	12	5
Lahore	15	614	221	239	-
Rawalpindi	4	12	8	2	-
Islamabad	-	-	36	52	-
Peshawar	-	21	3	7	-
Quetta	-	-	2	106	-
Faisalabad	22	29	34	43	-
Multan	-	-	2	8	-
D .I. Khan	-	-	34	12	-
Hyderabad	3	16	96	76	-
Sukkur	-	-	40	-	15
Muzaffarabad	-	-	10	10	-
Sialkot	-	-	39	12	-
Bahawalpur	3	-	-	6	-
Gujranwala	-	5	6	3	-
<b>Total</b>	<b>47</b>	<b>703</b>	<b>624</b>	<b>588</b>	<b>32</b>