

6 Institutional Strengthening

6.1 Strategic Planning at SBP

The third 5-year Strategic Plan namely SBP Vision 2020 was launched in August 2015 to seamlessly achieve SBP's broader objectives as mandated under SBP Act, 1956. The plan has been actively pursued across the bank to enhance SBP's role as a dynamic and forward looking organization to cater the emerging national and global economic challenges.

At SBP, the strategic plan is operationalized through annual business planning exercises, chaired by the Governor, wherein strategic goals are cascaded down at departmental level as their development projects and initiatives. The five year plan ended in FY20. Significant achievements have been made to accomplish the strategic goals. During the currency of SBP Vision 2020, more than 1200 development projects linked with strategic goals/ tactical objectives of SBP Vision 2020 have been undertaken. Effective implementation of the strategic plan has been ensured through a regular monitoring mechanism.

Further, as a forward looking approach, strategic plans of selected central banks were reviewed to explore global trends, emerging technological challenges and strategic direction which were shared with the internal stakeholders.

6.2 HR Developments

SBP, in its capacity as the central bank of the country, performs both traditional and non-traditional functions to achieve macro-economic goals. Institutional capacity in the form of optimal professional talent is critical for SBP in undertaking its unique role in the economic development of the country. SBP strives to promote a performance-oriented culture and create an enabling environment for employees to contribute towards achievement of organizational objectives.

The year FY20 witnessed major initiatives in the areas of workforce rationalization, talent resourcing, career growth, capacity building and automation. Consistent efforts were made for skill upgradation of employees to maintain and enhance the delivery of effective and efficient outcomes at every level.

6.2.1 HR Profile

HR strength across grades is reflected in Table 6.1. The employee turnover against a total strength of 1,178 was 5.43 percent which is mainly attributed by the Officers Grade 2-5. During FY20, 22 employees retired on superannuation whereas 49 proceeded for early

Table 6.1: HR Profile of SBP

Position/Grade	FY20	FY19
Governor/Deputy Governor	3	2
OG-8	15	17
OG-7	35	30
OG-6	43	52
OG-5	133	120
OG-4	267	262
OG-3	242	279
OG-2	339	319
OG-1	11	13
Support Staff	62	74
Contractual Employees	32	10
Total	1182	1178

retirement. However, the gap created was successfully managed by induction of new employees, particularly through batch hiring.

Talent Resourcing

SBP operates on the basis of a competitive, transparent and meritorious recruitment process. During FY20 a number of fresh graduates and experienced personnel having diverse backgrounds from local / international universities and experience in various disciplines such as Business Administration, Economics, Finance, IT, Law, etc. were hired on lateral basis to meet the HR needs of the bank. (Table 6.2)

SBP is an equal opportunity employer and facilitates the evolving role of women and the strategic significance of their inclusion in the workforce to achieve organizational objectives. Against a national requirement of 10 percent, SBP's workforce consists of 11 percent of female employees in diverse roles at each level of hierarchy ranging from entry level to senior management.

Table 6.2: Recruitments during FY20

Grade/ Designation	Number
OG-3	
Deputy Director	3
Law Officer	4
OG-2	
Assistant Director (SBOTS)	46
Assistant Director (non SBOTS)	12
Legal Officer	4
Assistant Librarian	5
Contractual Employees	
IT Operations Officer	16
Exhibition Developer	1
Software Developer	3
ECM Specialist	1
Professor of Economics	1
Total	96

6.2.2 Restructuring and Consolidation of Functions

In pursuance of Finance Division's Notification, Dr. Murtaza Syed assumed charge as Deputy Governor of SBP on January 27, 2020. Accordingly, the Board of Directors revised the portfolio of Deputy Governor (Policy). The revision entailed changes in the reporting lines of the Monetary Policy and Research Group and Human Resources Department to Deputy Governor (Policy).

During FY20, the following measures were taken to meet the organizational needs:

Organization Development (OD) Interventions

Workload Analysis

In order to increase organizational effectiveness, optimize the potential and contribution of the personnel, SBP planned various Board approved OD interventions in a phased manner. After successful completion of comprehensive review of SBP's Performance Management System vis-à-vis market practices of both local and international organizations in Phase I, the project on Workload Analysis and Job Evaluation for SBP was initiated in November, 2019 as part of Phase II of OD interventions. Funding for the said project was arranged from the Department for International Development (DFID) under FIP.

HR Policy Measures

The unprecedented global crisis due to COVID-19 pandemic has led organizations to develop and implement various policy measures. SBP has been at the forefront with the government, both at national as well as organizational level, to take necessary measures and combat the effects of the

pandemic. Apart from implementing the measures announced through the government notifications and Standard Operating Procedures (SOPs) to prevent the spread of the pandemic, additional policy measures were undertaken by SBP for the safety and wellbeing of its employees by introducing work from home arrangements. The situation was closely monitored by a Committee chaired by DG (B & FMRM) which met at regular intervals and implemented timely measures to minimize the disruption in delivering SBP's responsibilities amid testing times.

As part of SBP's efforts to make necessary revisions in the policies in response to changing organizational needs, instructions related to Rest and Recreation (R&R) Leave under Leave Policy 2015 were revisited and splitting of R&R was allowed for improving organizational efficiency. Furthermore, compendium of Medical Attendance Rules was updated and was made available on the Electronic Notice Board (ENB) for easy access to all stakeholders.

Compensation and Benefits

In line with SBP's compensation philosophy of market alignment, an across the board 8.0 percent increase in pension was allowed to self and family pensioners who retired/expired up to June 30, 2019 and the limit of monthly minimum pension/family pension was also enhanced.

Employer Branding

As an initiative to create awareness among the recent and upcoming graduates, SBP participated in career fairs organized at Lahore University of Management Sciences (LUMS) and the Institute of Business Administration (IBA). An overwhelming response and great interest from the students were witnessed. An orientation session was also conducted for graduating students at LUMS which received a positive and encouraging feedback. SBP intends to continue to follow this practice and expand it to other universities gradually.

Career Development

SBP believes that enhancement of organizational efficiency and effectiveness is directly linked with the overall morale and motivation of employees. Providing career development opportunities plays a pivotal role for this purpose. Accordingly, keeping in view the organizational requirements, 89 officers were promoted in various grades during FY20 (Table 6.3).

Table 6.3: Promotions during FY20

Promotion	No. of Officers
Senior Management Level (OG-7)	6
Middle Management Level (OG-5 & 6)	24
Junior Level (OG-1 to OG-4)	59
Total	89

Capacity Building

SBP being a knowledge-based organization has placed extensive focus on training and development to ensure that the skills mix of HR remains compatible and responsive to organizational needs. SBP also strives to ensure leadership development and effective grooming of line managers to facilitate capacity building.

In-House Trainings

During FY20, new in-house training programs specially focusing on the soft skills areas were introduced which included diversity and inclusion, happiness at workplace and corporate dressing and etiquettes. Three-days team building and development program was also introduced which included one day of outdoor experiential learning whereby do's and don'ts of team building were demonstrated. Major highlight of the year was a seminar on 'The Professional Women' exclusively arranged for all female officers of the Bank to celebrate the International Women's Day. A list of grade-wise in-house trainings offered during the year is mentioned in the tables below (**Table 6.4 and 6.5**).

Table 6.4: In-House Trainings (OG-1 to OG-4)

Title	No. of officers
Workplace Harassment	162
Embracing Diversity	155
Cyber Security	99
Team Building and Personal Development Program	77
Happiness at Work	76
Risk based Supervision (RBS)	73
Presentation Skills.	59
Corporate Dressing and Dining Etiquettes	55
Advanced MS Excel.	51
Stress Management.	50
Anti-Money Laundering.	46
The Professional Woman	46

After the onset of the pandemic, programs such as 'Impact of COVID-19 on Islamic Finance', 'Financial Market post COVID-19' and 'Economics Policy Response of COVID-19' were also offered in-house.

The in-house and domestic training programs were supplemented with foreign training. As a central bank, SBP has access to international training programs offered by multilateral agencies and other central banks. SBP officers are regularly sent on such training programs and seminars to reputed supervisory agencies and central banks around the world to enhance their knowledge base on global developments. Most of the foreign trainings were fully/partially funded by the host institutions. (**Table 6.6**):

Table 6.5: In-House Trainings (OG-5 & above)

Title	No. of officers
Coaching for Managers	26
Managing and Rewarding Performance for Middle Managers	16
Negotiation for Middle Managers	25
Diversity for Middle Managers	15
Training of Trainers (TOT)	13
Executive Presence	11
Leadership Boot Camp for Decision Making	11
Advanced Communication Skills for Managers	7
Leader as a Coach	5

In March 2020, the COVID-19 pandemic emerged and countries around the globe faced various challenges. In-house training programs were halted and foreign training programs were cancelled by the host institutions. In response to the need of time, the mode of training was changed from physical classroom learning to Virtual Instructor Led Trainings (VILTs), webinars and conferences. Since April 2020, all available platforms were provided to facilitate the

officers to complete their mandatory training hours based on their training needs. In-house VILTs were attended by officers with utmost zeal and interest. With the flexibility of working from home and with reduced working hours, officers accessed the platform of IMF, EdX, Udemy and Coursera on a frequent basis to avail and learn through Massive Open Online Courses (MOOCs) such as Financial Programming and Policies, Financial Market

Table 6.6: Foreign Trainings/ Seminars

Organization	No. of Officers
International Monetary Fund	20
Deutsche Bundesbank	5
Federal Reserve Bank of New York	2
Bank Negara Malaysia	3
Bank of England - CCBS	5
Financial Stability Institute - Bank of International Settlements	1
Asian Development Bank	2
World Bank Group	9
Banque de France	5
Central Bank of Turkey	10
Others	43

Analysis, Foundations of Central Bank Law, Financial Development and Financial Inclusion, Energy Subsidy Reforms and many more. Programs related to virtual leadership, managing virtual teams and similar topics were also availed by employees as offered by central banks and other financial institutions. Despite the COVID-19 pandemic, employees were able to meet 59 percent of the annual training hours requirement.

HR Automation Initiatives

Technological upgradation is of paramount importance to SBP to remain cognizant of the rapid developments taking place in information management and communication. Technology has been used as a means to improve service delivery standards and enhance efficiency by automating various functions of HR modules including recruitment, advances, retirement benefits, discipline, audit with HRMS interface and transport management record. Another major milestone in the HR automation initiative is the implementation of foreign training nomination process through Knowledge Management (KM) Portal which is a major step towards paperless environment. After the COVID-19 pandemic, the 'Internal Case Management System' (ICMS) has been introduced by SBP wherein work is initiated and processed online through Business Process Management (BPM).

To facilitate this, SBP has also developed Enterprise Content Management (ECM) for data storage. Access of BPM and ECM to employees working from home during COVID-19 days has facilitated the continuity of business processes in an efficient and effective manner. SBP has also started using BPM and ECM and going forward, many other areas will also be automated. The initiative of E-recruitment will facilitate and speed up the recruitment process in SBP. This application will be extensively used in all recruitment processes, once its effectiveness is established.

6.2.3 Future HR Strategy

SBP would continue to sustain a work environment where employees are provided with opportunities for professional growth and are recognized and rewarded for the contribution made towards achievement of organizational objectives.

Further, to facilitate employees across the bank, SBP has planned to review various HR policies during FY21 through a consultative approach by seeking active involvement and feedback of the internal stakeholders. While SBP has witnessed the success of ‘work from home’ arrangements with the onslaught of COVID-19 pandemic, SBP also intends to introduce the concept of flexible working hours. SBP also intends to capitalize on technological advancements to optimize the time taken in completing numerous initiatives such as recruitment at various stages.

6.3 Strengthening IT Systems

The IT Strategy aligned with the SBP Vision 2020 is being implemented to provide key services to SBP and its subsidiaries in the areas of national level initiatives, IT Strategy, business process automation and IT infrastructure and service continuity.

6.3.1 SBP Knowledge Management Program

The Strategic Goal under SBP Vision 2020 required implementation of a Knowledge Management (KM) Program for the Bank. The following are the major milestones of FY20:

- “Office Anywhere” Portal with enhanced security feature of Two Factor Authentication (2FA) has been implemented, which enabled SBP employees to work from home. Amid COVID-19 outbreak, there was a dire need of accessing ECM system to access corporate data file store and BPM System to process work flows of different business domains from home. There are two important components of this development:
 - Internal Case Management System (ICMS) through which all the departments are now able to process paperless case initiation and approvals at all levels with a powerful text based search engine.
 - Enterprise Content Management (ECM) through which users can perform efficient document collaboration, record informal reviews of matters, feedback and comments, work on projects and task using Team Space feature on the model of social network and manage organizational record in digital form.
- External Case Processing portal for SBP’s Exchange Policy Department and Foreign Exchange Operations Department of SBP-BSC provides an online platform of interaction between SBP and banking sector for submission of cases from banks for approvals and return digitally signed regulatory decisions through the same.
- The pilot launch of “Inspection Management System” with selected banks provides a central platform to transform the entire Inspection function to paperless covering not only the internal part but also of the banks.

- A “Knowledge Transfer Framework” for capturing and storing the Tacit and Implicit knowledge has been developed. This framework will provide strategic grounds in devising a new structure of human resource functioning.

6.3.2 Enterprise IT Governance Framework

- The Phase II of the Enterprise IT Governance Program was completed in FY20 which included development of IT Policy Framework in line with international standards and best practices:
 - a. IT Policies:
 - i. IT Service Management Policy
 - ii. Change Management Policy
 - iii. ICT Availability & Continuity Policy
 - iv. IT Portfolio Management Policy
 - v. IT Quality Management Policy
 - vi. Information Systems Lifecycle Management Policy
 - b. Standard Operating Procedures (SOPs) of above policies
 - c. IT User Guidelines
- The implementation of IT Policy Framework will strengthen IT Governance, which is integral part of Corporate Governance. It will provide strategic guidance to the management in managing SBP’s IT Portfolio by aligning IT function with organizational priorities, optimal resource management, complement its oversight function and strengthen informed decision making to achieve value delivery. Moreover, IT Policy framework will establish a control environment to streamline the processes, service delivery and usability of IT resources according to relevant applicable policies and SOPs.

6.3.3 Banking and Currency Systems Initiatives

SBP’s IT Systems have continued to contribute in sustainable IT enabled business operations. Multiple business development projects were also implemented in Banking and Currency systems to cater business requirements. Some of the projects undertaken for this purpose are as follows:

- The automation of reporting CTR to FMU through GoAML portal that optimized the transaction processing time and reduced manual intervention. T24 System was updated to generate complete XML formatted report for each office.
- For the payment digitization, T24 Team has integrated the encashment of National Prize bonds prize money claims and payment for encashment of Prize Bonds through RTGS.
- To enhance the effectiveness of 1-Link payments, a revised settlement mechanism for ADC (1-Link) is implemented for consolidated entry against each account to reduce system overhead and data storage.

- T24 team performed the reporting mechanism of investment for the donor-funded programs. The Investment Management System (IMS) encompasses features like effective record management, projected profit earnings against each investment, timely intimation of investment upon maturity and cash availability in respective accounts.

During the COVID-19 pandemic, multiple schemes were successfully implemented to avert the financial impacts of business activities:

- Conventional and Islamic Refinance Facility for Combating COVID-19.
- Conventional and Islamic Temporary Economic Refinance Facility (TERF) for Combating COVID-19
- Conventional and Islamic Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns

6.3.4 New Projects in Data Warehouse

During COVID-19, the Data Warehouse team developed a multi-factor (MFA) based Single Sign-On (SSO) service. This service enabled access of data warehouse application from home. It was launched in June, 2020 and access was provided to a limited number of users. With passage of time, access to all the end users of data warehouse will be provided. In addition, remote access of web applications in other areas will also be made available through this service.

On business side, a system for compilation of risk profiles of individual Banks, DFIs and MFBs based on CAELS (capital adequacy, asset quality, earnings, liquidity and sensitivity) and Cash Reserve and Statutory Liquidity Requirements (CRR and SLR) has been developed for OSED. Automation of this system has made the work process efficient and has also reduced the risk of errors.

Besides, a system for efficient monitoring on National Financial Literacy Program (NFLP) has been developed. This program requires substantial reporting from banks on multiple parameters for ensuring project deliverable in a timely manner. Automation of this system has significantly reduced the HR requirements for data compilation and has also reduced the risk of errors.

6.3.5 Automation Efforts in Oracle Custom Applications

A plethora of projects was undertaken in Oracle in FY20 to cater the growing business requirements of SBP. Many projects have been undertaken and accomplished.

Other outstanding achievements cover “E-Recruitment Phase -2” that provides interview panel setup, domicile-wise quota management, allocation for recruitment posts, final merit list generation and other detailed MIS reports along with email and picture uploads features. It also include “Revamping of Fit and Proper Analysis System” that manages the data, MIS reports and processes related to Board of Directors (BODs), Key Executives of the Banks, DFIs and Microfinance Banks.

Similarly, the assignment, monitoring and MIS reporting of “MMCRS Upgradation Phase-2” that handles sensitive data of banks and DFIs through DAP portal and “Complaint Management System for BC&CPD” that caters complaints from different sources, have been completed.

External Online Library System has also been launched for general public to access books, general and articles from the pool of SBP Library.

6.3.6 Oracle ERP Systems

One of the largest and most challenging projects is the Oracle EBS Upgrade for 300 plus reports, 50 plus external interfaces and 2 customized applications and facilitated 2000 plus users across the bank and field offices. The key accomplishments in automation include payroll application upgrade, Oracle EBS reporting through DWH, vendor payment of BSC offices through RTGS, implementation of Oracle general ledger at DPC, development of arrear generation in payroll for NCPFS category employees for BSC Offices, development of annual pension increase and integration of Oracle EBS with SITM Qradar solution.

6.3.7 Cyber Security at SBP

The year witnessed major developments in the area of cyber security at SBP. The key focus areas for FY20 included adopting new technologies to build and bolster cyber defenses, addressing critical gaps for effective risk management and building cyber resilience. Developing and maturing processes and procedures to boost efficiency, as well as capacity building of IT and cyber security teams were also priority areas.

Cyber Risk Management

The Bank completed multiple risk-assessment exercises during FY20 to identify and address critical gap areas. These engagements included collaboration with the World Bank, Microsoft Professional Services, as well as SWIFT Belgium Cyber Resilience and Operational Excellence Teams. Control capacity has been enhanced multiple folds by deploying new technologies and fine-tuning existing key controls.

The Bank’s security operations have enhanced its real-time IT security controls’ monitoring capabilities. This advancement has provided risk management teams an ability to monitor and analyze cyber risks by providing them a holistic view of overall threat surface. Enhancement in the monitoring function and threat detection at early stages has improved effectiveness and response-time of security teams. SBP’s attack surface has also been reduced by blocking multiple attack vectors.

Cyber Security Governance

SBP has strong realization that evolving cyber threat landscape as well as implementation of a successful Cyber Security Program demands a well-defined Information Security Governance structure. Based on well-known international ISO27001 standard and NIST Cyber Security Framework, the bank has rolled out a new set of policies that will further strengthen Cyber Security Governance at SBP. This development will lead to a consistent and formalized deployment of

security controls in the bank and provide support to other cyber security functions in setting up baseline specifications.

The bank has further re-enforced its cyber resilience capacity by improving its incident response capabilities through formalized plans and mock exercises.

Cyber Security Awareness

SBP also continued its efforts to bring about cultural shift by arranging user awareness sessions on cyber security and using other automated tools to enhance its workforce capacity against cyber risks and threats. In the wake of COVID-19 pandemic and teleworking, the bank adopted virtual channels for its cyber security trainings. In addition, with changing modalities and work environment, SBP's Cyber Security teams kept afoot with the technologies and not only informed the management and IT teams informed, but also engaged the employees to stay vigilant in identifying emerging cyber threats.

Continual improvement and adapting to the dynamic cyber landscape have been the key success factors for SBP's Cyber Security team, which has led to much improved cyber security posture, maturity and resilience.

6.4 Business Continuity Management

The management of SBP instructed all departments to ensure working with minimum staff and avoid unnecessary gathering to ensure social distancing in order to minimize the impact of COVID-19. The Critical Time Sensitive and Critical Support Function Departments utilized the BCP Back up Site facility efficiently and effectively during the pandemic to achieve this objective.

6.4.1 Annual Test Plan FY20:

In order to validate the Business Continuity Program (BCP) lifecycle, regular BCP exercises and testing are done throughout the year as per the Annual Test Plan (ATP). During FY20, more than 175 BCP exercises were performed by the Critical Time Sensitive Departments, Critical Support Function Departments and SBP-BSC Offices at their respective Back-up Sites. To further assess the preparedness level, Combined Staff Relocation Exercises (CSRE) were also conducted with participation of all stakeholders at the same time which evaluated systems and backup facilities against maximum work load. Three such CSREs were carried out during FY20.

6.4.2 Joint Industry Wide BCP Exercise

The first Joint Industry Wide Business Continuity Planning (BCP) Drill (mock exercise) was conducted on December 07, 2019. The Critical Time Sensitive Departments and Critical Support Function Departments of SBP and SBP-BSC, 31 banks and 1-Link participated in the drill. The said exercise was carried out at BCP Back up site by SBP team whereas the commercial banks participated from their respective back up sites.

6.5 SBP Tech Club

SBP Tech club was established to provide a platform to all technophile employees of the Bank. The objective was to explore out of the box and technology based solutions, which can potentially have an impact on, and shape, SBP Vision. During FY20, the following Tech talks were arranged:-

- Micro Payment Gateway (MPG)
- Cryptocurrencies
- Artificial Intelligence: Intro and Myth busting
- IT Governance, Risk and Controls in Era of Disruption

6.6 Enterprise Risk Management (ERM)

Enterprise wide risk management framework has been implemented at SBP in line with SBP Vision 2020. ERM framework is designed to holistically identify, assess and mitigate various types of organizational risks.

In FY20, the Bank has issued its ‘Risk Policy Statement’ under the Enterprise Risk Management framework which is applicable to all departments of SBP and its subsidiaries. The risk policy statement resolves to successfully implement ERM framework, which is critical for the bank in achieving its objectives such as monetary and financial stability and inclusive financial system. The risk policy statement underpins the three lines of defense model to ensure that the risks are effectively managed at the entity level.

Risks identified in the bottom-up approach through Risk & Control Self Assessments (RCSAs) are now being monitored through ensuing mitigation plans and Key Risk Indicators. While in parallel, mitigation plans for risks identified through top-down approach are also going through development phase. RCSAs of SBP-BSC have already been presented to the Management Committee on ERM for review. RCSAs of DPC, NIBAF and PSPC have also been developed.

6.6.1 Investment Risk Management

SBP also undertakes and developed risk management policies and procedures for the assessment, quantification and monitoring of market, credit and operational risks emanating from reserve management activities.

In FY20, the Bank has taken steps to build internal credit scoring and probability of default models. While these initiatives will reduce reliance on external rating agencies, the development of these models would build reliable in-house capacity to monitor the credit risk. The bank has arranged focused training courses on risk modelling and monitoring to develop human resources. These training sessions have facilitated in developing these internal scoring models. Furthermore, the approach used in development of these models is comparable with reputed rating agencies such as Moody’s, Fitch and S&P.

During the development of these models, availability of authentic and accurate historical data is essentially required in efficiently estimating the parameters used in these models. The bank has subscribed S&P Credit Pro and Capital IQ databases to overcome these limitations

The Bank has also designed a report for monitoring and independent reporting of risk adjusted performance. The report is meant for the Investment Committee of the Management and the Investment Committee of the Board. This will bring transparency in reporting in line with the best international practices. It would also highlight critical risks in time for better management of risk/return profile of investment portfolios.

6.7 Risk Based Audit Function

Internal Audit acts as a function of corporate governance deriving its mandate from Internal Audit Charter duly approved by the SBP Board. It is providing independent, objective assurance and consulting services to the SBP Board and senior management.

SBP has adopted the risk-based auditing methodology to provide assurance on the effectiveness of the bank's governance, risk management and control processes by conducting financial, operational and IT audits, which conform to the mandatory requirements of International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA) and consistent with SBP Enterprise Risk Management (ERM) Framework. Further, the technology based audit engagements are conducted in alignment with guidelines by the Information Systems Audit and Control Association (ISACA).

Major initiatives and achievements during FY20 include the following:

- A centralized assurance mechanism has been implemented with the approval of SBP Board Audit Committee duly endorsed by the SBP Board, which provides a holistic assurance over governance, risk management and control processes across SBP and its subsidiaries.
- SBP attained the “Generally Conforms” assessment scale in conformance with the mandatory requirements of IPPF of the IIA during the internal as well as the external quality assessments of its audit function.
- An Assurance and Follow-up Rating Framework has been implemented for rating the auditable areas based on the results of their audit engagements and status of the outstanding Audit recommendations.
- A customer stratification survey was carried out in order to improve the image as a Trusted Business Partner. Focused group discussions were held to better understand the feedback/concerns reported by the departments and their effective resolution accordingly.
- Knowledge Management (KM) based Audit Workflow module has been implemented in IACD for further improving the audit processes in a paperless environment including coordination with auditee departments.
- To gauge performance of Internal Audit, a balanced scorecard has been prepared through identification and incorporation of various KPIs (quantitative as well as qualitative in nature)

along with target measures under four perspectives i.e., financial, customer, internal processes and learning and growth.

- Following a carefully chalked out Training Need Assessment of officers working in Internal Audit, officers were encouraged to obtain international certifications in areas related to internal audit as well IS audit in addition to attending various domestic and foreign training programs. Resultantly, most of the auditors have obtained certifications e.g. CIA, CISA, CFSA, CISM, FRM, etc.

6.8 Legal Services Department

To further strengthen the role of SBP as a regulator in line with best international practices, amendments have been proposed in the existing laws. The Chief Legal Adviser and Director, LSD are co-opted members on the Financial Law Review Committee (FLRC) that is tasked with reviewing the existing laws in order to meet the emerging needs.

Under the Right of Access to Information Act, 2017 (Act), the bank receives queries, regarding sharing of official records and information, which are then examined in light of the provisions of the Act. In this respect, an interactive session was arranged on the request of Information Commission of Pakistan (PIC), which was attended by the Chief Information Commissioner and 2 other members, from PIC and officers from SBP and its subsidiaries.

During FY20, legal advice was given on 2780 references forwarded by various departments of SBP and its subsidiaries to ensure that legal risks associated with business decisions are addressed appropriately. Currently 461 cases of various nature are pending in different courts of Pakistan where either SBP or its subsidiary is a direct party.

6.9 Effective External Relations

SBP achieved several milestones in its pursuit of enhancing communication in a structured and phased manner for all external stakeholders. Dedicated pages pertaining to COVID-19 and measures taken by SBP were launched which were regularly updated. A Complaint Handling Mechanism for COVID-19 related schemes was also designed and developed. The print media outreach extended to 14 other cities having BSC offices which increased readership of SBP related stories to an estimated one million people. Many media campaigns were successfully executed through print, electronic and social media. A number of BSC employees were trained to enable them to use MS Office in Urdu.

Due to timely and consistent information sharing on social media in the form of videos, images, slideshows and webinars, the traffic increased manifold on Facebook and Twitter since March 2020 while the post outreach crossed one million on Twitter.

A newly adopted practice of issuing press releases alongside Circulars, Guidelines and Data made it easier for journalists to file stories almost on daily basis and as a result, SBP related stories

increased manifold especially in print media. Earlier, a large segment of journalists was reluctant to go through technical language of Circulars and Data etc. and come out with stories of their own.

SBP designed and executed several media campaigns during the year including awareness campaign on Anti-Money Laundering & Prohibition of Hawala / Hundi, Alert on Fraudulent Calls/SMS, digital campaign on International Museum Day 2020 and an awareness campaign on ‘Safe Donations during COVID-19 Pandemic’. SBP developed HTML based e-versions of its publications which are now available on the SBP website.

Keeping with past traditions, SBP organized events of national importance and arranged for their print and electronic media coverage. Events organized and covered on the website and social media include: Independence Day August 14, Pink Ribbon awareness session, unveiling of commemorative coin at 550th birth anniversary of Guru Nanak, launch of National Payment Systems Strategy for safe, efficient and inclusive payment systems in Pakistan, Photographic Exhibition titled, ‘Life of Jinnah’ in collaboration with Directorate of Electronic Media and Publications’ and ‘Seminar on Managing Crises in Emerging Markets’.

SBP continued to play an important role in raising awareness about central bank’s policies through disseminating of communications in the national language. Nine monetary policy statements including three unscheduled announcements due to COVID-19 situation, State of Pakistan’s economy and other flagship publications were released in Urdu along with English. SBP’s newly created “Countering COVID-19: measures taken by SBP” webpage was timely updated in Urdu. SBP produced a pictorial Urdu booklet on its financing schemes that is aimed at increasing awareness of the general public about these schemes. This booklet is nearly complete and will soon be published.

SBP has developed a blog website ‘Off the Record’ to share ideas and promote constructive discussion among the SBP staff. The blog will feature articles on economy, banking, monetary policy, financial sector, technology and more which will soon be available for SBP staff. SBP also produced a documentary on Roles and Functions of SBP mainly for students and children that depicted evolution of money, banking and central banking through dramatization. The feedback received from school students suggests almost 80 percent children termed the documentary extremely useful. This documentary will soon be made public.

6.10 SBP Library

The SBP Library caters the information needs of SBP employees, the banking community and the general public through provision of high quality information resources and services. Ranked amongst the most-referred libraries of the country, it serves over 5,000 registered members representing the SBP, commercial banks, public and private firms, insurance companies, brokerage houses, media and numerous business schools.

Major accomplishments of the library during FY20 are listed below:

6.10.1 Collection Development

In order to support the fresh and on-going research at SBP, a number of new resources were added to the library collections in both print and electronic formats. The print holdings were enriched by 1,781 new books and 1,221 periodical issues. Additionally, latest updates of the federal/provincial budgets/gazettes and annual reports of numerous companies listed on the Pakistan Stock Exchange were also acquired. Further, the electronic resources were augmented with *Oxford Economics, Finance, Social Sciences, and Law Journals Collection* comprising of 125 e-journals with its complete archives dating back to 1996.

6.10.2 Bibliographic Management and Reference Services

For promoting effective usage of library resources, posting of monthly bulletins of Fresh Arrivals and Content Alerts on SBP website and electronic board as well as their bank-wide broadcast through email remained a regular feature of Library. All items acquired were properly catalogued and made available for browsing through library portal in real time.

Officials at the reference desk responded to countless reference queries and proactively provided personal assistance in literature search and library usage. Orientation tours for the new inductees, interneers and occasional visitors were arranged throughout the year. Around 3,179 requisitions for articles were entertained through library's Online Document Delivery Service. Usage of the online library resources during FY20 is depicted in (**Table 6.7**):

Table 6.7: Full-Text Article/Chapter Downloads by Database during FY20
(Numbers)

Database Name	Full-Text Article/Chapter Downloads
	Total FY20
Business Source Complete	815
Cambridge Journals	72
EconLit with Full-Text	294
Emerald Business eBooks	13
Emerald Management e-Journals	917
JSTOR eBooks	62
JSTOR eJournals	3,600
Oxford English Dictionary	735
OUP Journals	494
Sage Journals	226
ScienceDirect	4,446
Springer eJournals	740
Taylor and Francis Journals	686
Wiley Journals	1,599
World Bank eLibrary	113
Total	14,812

6.10.3 Visitation, Membership & Lending

During the period under review, around 14,820 users visited the library, 125 new members were registered and 23,930 books were loaned to the registered members. The members were also kept posted with the renewal reminders / overdue notices on a daily basis. Book reservation / hold services also remained available for members throughout the year. All out efforts were made to meet members' demand through inter-library loan with local libraries.

6.10.4 Development Projects:

Library completed the following development projects during FY20:

- Revamping of Library's Physical Infrastructure
- Launching Library Website for the General Public
- Developing eBooks Repository of Professional Publications
- Reclassification of Special Sections on IMF, World Bank and United Nations

Overall, the FY20 ended up successfully for the library in terms of its goals attainment laid down in the annual business plan. A comparative summary of library progress during the last 2 years is presented in (Table 6.8).

Table 6.8: SBP Library Services (FY19-FY20)
(numbers)

Operational Areas			FY19	FY20
Procurement	Books	Purchased	2,329	1,742
		Complimentarily acquired	96	39
	Periodical issues		1,687	1,221
Technical processing	Books catalogued		2,425	1,780
	Articles indexed		2,655	2,122
Circulation (Books loaned)	The SBP employees (active and retired)		23,459	23,061
	General public		925	869
Membership	The SBP employees (active and retired)		83	58
	General public		84	67
Visitation	The SBP employees (active and retired)		15,654	11,274
	General public		5,839	3,546
Documents Downloads	Downloaded documents delivery through email		2,599	3,179
	Bank-wide article downloads through subscribed resources		17,215	14,812

Note: The decline in usage is primarily attributed to the closure of library since 20-Mar-2020 as a preventive measure against COVID-19.

6.11 Museum, Art Gallery & Archives

The State Bank Museum is the only money museum in Pakistan; it has the largest collection of coins and banknotes as well as other objects that have served as money in different times and different places.

To define the significance of money and banking, State Bank Museum constitutes eight galleries, Coin Galleries I & II, Stamp Gallery, Currency Gallery, History of State Bank Gallery, Governors' Gallery, Sadequain Gallery and the Contemporary Art Gallery. The two coin galleries show evolution of coins from 600 BC to the present times. The Stamps Gallery shows evolution of stamps from 3,000 BC to the present period, with a special focus on Pakistani stamps and the Currency

Gallery focuses on Pakistani notes while also giving information about the very early paper notes and the present days Polymer notes.

History of SBP gallery shows history of SBP from 1948, while the Governors' Gallery shows brief profiles of the Former Governors with their portraits. The Art Gallery is one of the most attractive part of the Museum, displaying Sadequain's four huge paintings and collages of metal and wood. A restored large triptych by Zahoor ul-Akhlaq, donated by philanthropist Ava Cawasjee is displayed in the Contemporary Art Gallery, where temporary exhibitions of young artists are also held on nonprofit basis. The Replica/Modeling Section is unique as it is responsible for preparing replicas/models as souvenirs for the visitors.

Archives Division of the department has been established and started working from June 2018. Archives Division deals with all departments of SBP and SBP-BSC for the guidance and assistance relating to Record Management and Archives. For saving the important documents/ records, Archives Division is functioning in following sections.

- Preservation and Treatment section
- Fumigation of the records
- Binding
- Paper Treatment & Conservation
- Proper and ideal storages for the records of SBP and SBP-BSC.

6.11.1 Visitors' Flow

As per available data, around 10,670 visitors (2784 Male, 2547 Female and 5339 children) were recorded in FY20. Special occasions also provided a chance to a large numbers of visitors to visit the SBP Museum. SBP Museum showed good visitors' flow, in spite of the closure of Museum since March 2020, as COVID-19 precautionary measure.

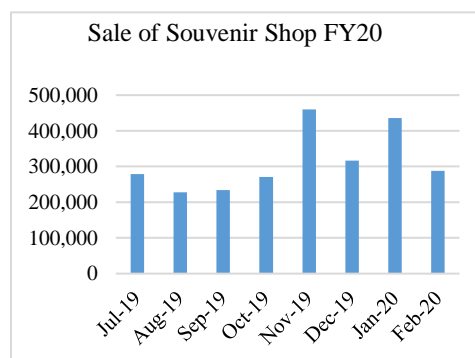
6.11.2 Souvenir Shop

The souvenir is an integral part of the travel experience and most tourists return home with souvenirs to preserve and commemorate such experiences. The State Bank Museum Souvenir Shop has become one of the best Souvenir Shops in Pakistan. A total sale of Rs.2,512,050/- was recorded on non-profit basis in FY20. Souvenir Shop showed good sales, in spite of the closure of Museum since March 2020, as COVID-19 precautionary measure.

6.11.3 Other Activities

To support the Museum's mission of the enhancement of education for youth and common person, different workshops/activities were arranged in SBP Museum, some of which are as under:

1. Independence Day Celebrations
2. Special Exhibition To Celebrate The 144th Birth Anniversary Of Quaid-I-Azam
3. International Women's Day
4. Children Literature Festival (Lahore)



The SBP Museum Officials actively participated with an informative outreach work plan in the Children Literature festival during FY20 at listed below stations:

1. **Muzaffargarh:** 03rd & 04th October 2019
2. **Islamabad:** 23rd & 24th October 2019
3. **Peshawar:** 10th & 11th December 2019
4. **Lahore:** 15th & 16th January 2020
5. **Karachi** 12 & 13 February 2020.

6.11.4 Publications

To digitize and preserve the collection of SBP Museum, following publications were designed in FY20:

1. Catalogue of British Indian Coins in the SBP Museum
2. Conservation of Carpet