

Governor's Message

Banking Services Corporation (BSC) of the State Bank of Pakistan (SBP) is an integral and critical arm of central bank. As such management has been striving to ensure that SBP operational services are delivered efficiently and in the most cost effective manner. With its multiple mandates, BSC has been providing wide ranging services to banking industry, attending to public concerns and serving the requirements of the central bank. Augmenting these functions, BSC structure has been enhanced with the establishment of a range of new offices.

Of these most notable to report to public is the setting of Currency Management Department which starting this year has launched a new currency management strategy and policy which, among others, involves better estimation of currency requirements of the country, while ensuring timely distribution of currency. Effective enforcement of clean note policy along with curbing of adhoc trading in currency note and strong regulations and proper enforcement are yielding results. At the same time, the public is now being better served with proper systems and procedures at the field offices which among others offer retail services for selected products such as prize bonds and offering pension payments etc.

BSC's automation across 16 field offices has helped strengthened its support to commercial banks to monitor export refinance, foreign exchange compliance, and other functions of banks. Adding to these functions, BSC has been now given mandate to hold sector wide consultation to raise awareness for use of development finance. All offices are in the process of being transformed to ensure better interface with public and other stakeholders, while delivering its core function of keeping vigilance on commercial bank operations.

Since 2006, BSC has steadily moved to upgrade BSC operations and its services. Initiatives launched involved restructuring and strengthening of BSC. Key elements of the transformation have involved, among others:

- (i) Deepening of automation with the adoption of Globus and Enterprise Resource System;
- (ii) Improvements in delivery of services at field offices;
- (iii) Business re-engineering to better interface and achieve consistency between SBP laid policy and BSC delivery of operations; and
- (iv) Rationalization and capacity building of BSC – besides reviving Voluntary Retirement Scheme (VRS) which has been successful, over 1000 BSC staff benefited from training sponsored.

To improve efficiency of BSC, a project is to be launched for re-engineering and change management. In the interim, effective 2008, a new Matrix reporting and oversight

mechanism is being put in place where BSC administration, IT, Accounting and Audit function will come under oversight of the central bank. Performance management of staff will be strengthened to ensure quality service standards.

Modernization and transformation of BSC is a challenging task and requires turnaround of institution and its staff attitude. Continuous realignment of its functions and deepening of its linkages with SBP will be critical.

Management change in BSC has yielded positive results. Bringing BSC under oversight of BSC Board has further helped common standards of accountability. As a chairperson of BSC, I and management of BSC are fully committed to ensuring installation of high governance standards in BSC which requires further organizational changes and change management to make it a professional corporate institution with high delivery standards in an efficient and effective and customer friendly manner.

Dr. Shamshad Akhtar
Governor & Chairperson