

Corporate Governance



9 Corporate Governance

Strategic & Corporate Affairs Department (SCAD) is entrusted with the responsibility to facilitate and support the Corporate Governance Framework at SBP Banking Services Corporation. The Department is responsible to steer the implementation of the Strategic Plan of SBP BSC in accordance with the Bank's Vision. Additionally, SCAD coordinates system enhancement/development and provides first-level helpdesk support relating to Globus Banking and Globus Currency Modules to all Field Offices across the country.

9.1 Overview

The prime function performed by SCAD consists of facilitating and supporting the Corporate Governance Framework at SBP Banking Services Corporation. The Department reinforces management's efforts aimed at cultivating strategic plans, delineating business goals and implementing the same in accordance with the Bank's Vision.

Corporate Secretary Division (CSD) of SCAD, facilitates holding of meetings of different forums which include, SBP BSC Board, SBP BSC Board Committees on Audit and Human Resource, Heads of Department (HoDs) Forum, Chief Managers (CMs) Conference as well as Management Committees on various areas of operations. 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 the improved corporate governance.

Systems and Procedures Division (SPD) of SCAD has been assigned the task to coordinate and monitor the Business Planning exercise, in addition to facilitating Business Process Reengineering (BPR) activity. Since business processes at SBP BSC are largely driven by Globus and Oracle ERP Applications, there is a continued effort for improvement in the processes in which SCAD plays a significant role. SCAD also finalizes and updates the web content relating to SBP BSC, placed on both the internal and external websites of SBP.

Box 9.1: Highlights

- Organization of meetings relating to SBP BSC's Board and its Committees on Audit and Human Resource (HR).
- Organization of meetings relating to Heads of Department (HoDs) and Chief Managers' Forums.
- Compliance of decisions of the Board of Directors of SBP BSC and the CMT of SBP by the concerned departments of SBP BSC.
- Serving as the Secretariat for Management Committees on: (a) Business Process Re-engineering, (b) Strategy Development, (c) Publications and (d) Urdu Cooption Committee (UCC).
- Coordinating, Finalizing and Publishing of the Annual Performance Review (APR) of the Corporation.
- Steering the Strategic Planning Process at SBP BSC.
- Coordination of Business Planning Process of the Corporation.
- Streamlining BPR activities under a single domain, removing redundancy and delays.
- Centralized business applications system support for operational functions in Field Offices and HOK in coordination with Information Systems Department.
- Successful implementation of Globus T-24 Currency upgrade.
- Successful launching of Premium Prize Bond module.
- Ensured effective utilization of Globus Banking and Currency systems and Oracle application across the Corporation.

9.2 Performance Review of Strategic and Corporate Affairs Department

9.2.1 Board and its Committees

Since the establishment of the Office of Corporate Secretary (OCS) in 2015, the Department has been the focal point in facilitating the meetings of SBP BSC Board and its two Committees i.e. Audit Committee and Human Resource Committee. The Department's role is to ensure that a robust governance framework is in place, including proper documentation of policies and procedures, to facilitate the Board

and Managing Director in taking appropriate decisions towards sustainable growth of SBP BSC. SCAD acts as a conduit between the Board members, senior management and stakeholders and works towards sustainable development of the Corporation through compliance of 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 9.1**.

9.2.2 HoDs Forum/CMs Conference

The management believes in a collaborative approach towards decision making process. Heads of Department (HoDs) Forum and Chief Managers' (CMs) Conference serve as important forums 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 FY17, the HoDs and CMs forums met six times as against nine in FY16.

Table 9.1: Meetings of the SBP BSC Board and its Committees (Audit and HR) held during FY17		
Sr. No.	Name of the Forum	Number of Meetings held
1.	SBP BSC's Board of Directors	05 ⁴
2.	Audit Committee of the Board	05
3.	Human Resource Committee of the Board	04 ⁵

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 Re-engineering.
3. Management Committee on Publications.
4. Urdu Cooption Committee.

The meetings of these committees are held on periodical/need basis. During FY17, the Management Committees met seven times.

9.2.4 Strategic Planning at SBP BSC

Strategic planning is considered to be one of the most important tools employed for the success of an organization. The prime goal of a corporate strategic plan is the identification of the organization's objective in a lucid manner, thereby expounding an approach/system for optimal utilization of resources to accomplish them. The task regarding formulation of Strategic Plan for SBP BSC rests with SCAD. In this regard, the management has taken various key initiatives such as: a) modification in SBP BSC Ordinance; b) restructuring of the Corporation into Groups and Regions; and c) new business processes for expanding the outreach of SBP BSC. The amendments in the Ordinance have been proposed with a view to inculcating best Corporate Governance practices by strengthening the role of Board of Directors towards the appointment of Managing Director and Auditors. These amendments will provide adequate protection to the officers/staff of SBP BSC for actions taken by them in good faith. The proposed amendments would also clarify the operational role of the organization in improving the Payment Settlement System in line with the global best practices.

Moreover, the management intends to develop SBP BSC Strategic Plan with the help of a facilitator, based on various significant initiatives taken so far by it. The basic objective of this exercise is to align the SBP BSC's strategic orientation with the strategy goals defined in SBP Vision 2020.

⁴Including one exclusive meeting of SBP BSC

⁵ Including two exclusive meetings of SBP BSC

9.2.5 Business Planning at SBP BSC

Another crucial function entrusted to SCAD is to hold the annual Business Planning Exercise, where the Department not only serves as a facilitator, but also as a planning coordinator. In addition to planning, SCAD ensures continuous monitoring and manages follow-up action with departments to seek compliance on a quarterly basis. In this regard, the Department endeavors to facilitate each department in the process of monitoring the progress of an array of activities and projects approved in the Annual Business Plan. As the Business Planning Exercise entails involvement of all stakeholders throughout the process for finalization of Annual Plan, therefore, Regional Heads were also allowed to oversee Exercise of all Field Offices in their region. During the year under review, the Exercise was revamped and expanded at the Regional Level for half-yearly review meeting and approval of Business Plan for next year. Each Field Office conceptualizes projects and once cleared by the Regional Head, these are then shared with their parent Department at HOK for initial review and approval. After seeking clearance from respective Group Heads, the projects are presented to Managing Director for final approval. Once approved, the entire Business Plan is disseminated to all stakeholders in the shape of a business plan booklet. During Business Plan Exercise of FY17, a total of 290 projects of all HOK Departments and Field Offices was reviewed. **Table 9.2** shows a region-wise comparison of projects (HOK Departments, South, Central and North Regions) reviewed in the Business Plan Exercise of FY16 and FY17. Developmental Projects Booklet FY18 is in the advanced stage of finalization and is expected to be published soon.

Sr. No.	Regions	FY16	FY17
1.	HOK Departments	63	63
2.	North Region Field Offices	39	57
3.	Central Region Field Offices	60	84
4.	South Region Field Offices	43	86
Total		205	290

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 by different organs of the Corporation during a particular 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. The Management Committee on Publications supervises the finalization of APR contents and its design. 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 Globus Banking and Globus Currency Systems and Oracle Applications across the Corporation, which enable the senior management to review the day-to-day operations on Dashboard. For the purpose, SCAD, in close coordination with Information System 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.

The Department 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 Bond, National Savings Schemes and Export Refinance etc.) and Globus Currency until the Close of Business signal is received from all the Field Offices. A comparison of the number of incidents resolved during

Area	FY17	FY16
Globus Banking	11,550	10,570
Globus Currency	4,253	3,446

FY17 and FY16 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 Solutions as also the Oracle and other applications installed across SBP BSC.

SCAD also ensures close coordination with the users throughout the process of business planning, business process re-engineering activities and improvements in the monitoring processes. As a first step, a booklet on Business Developmental Plans for FY17 was drafted, got approved from the management, and subsequently printed & disseminated across SBP BSC. Moreover, formats for recording and monitoring of Business Plan projects were modified and improved. Additionally, the modus operandi of Business Planning Exercise was also revised to incorporate the restructuring of SBP BSC with the inclusion of Group and Regional Heads.

SCAD Helpdesk facilitated in the integration of Banknote Processing and Authentication System (BPAS) Machine with the Currency Globus System as well as in the development, testing, and implementation of the new Premium Prize Bond Scheme. It also facilitated the development / testing of applications for treatment of deductions of Tax from filers/non-filers for the National Prize Bond. Various developments undertaken by SCAD team included incorporating Rs 10/- Regular coin and Rs 50/- Commemorative coin of Mr. Abdul Sattar Edhi in the system. Other significant contributions included development and testing of a new finance scheme, Prime Minister's Youth Business Loan (PMYBL) in Globus Banking and Globus Currency environments, while providing continuous system support.

9.2.8 Globus T-24 Currency Upgrade

During the year, T-24 Currency up-gradation was successfully completed across the Corporation and is live since 12th May 2017. SCAD played an active role as a part of testing/training/ implementation team for the aforementioned project. It, being part of the T-24 Project Steering Committee, continuously monitored the process. It is pertinent to mention here that Currency Helpdesk - Information System Department (ISD) and Globus Helpdesk - Systems and Procedures Division (SPD) participated in Super Users Training of T-24 across the Corporation, without impacting the daily Helpdesk Support by working for extended hours. Moreover, T-24 Banking is currently under User Acceptance Testing and is scheduled to go live in September 2017.

9.3 Going Forward

SCAD endeavors to continue its role as the neuro-center for the Bank operations and to play its part in devising effective Decision Support System (DSS) for the senior management by way of augmenting its diversified and challenging activities. One of the significant projects planned for FY18 is the development of SBP BSC Strategic Plan; for which the management has already taken significant strides in aligning it with the strategic initiatives defined under SBP 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 Globus T-24 Banking Module Application during FY18.