

# Central Bank Operational Review

## Administration

### Project Management

During 2013, the Project Management Office (PMO) engaged in key initiatives aimed at strengthening the Bank's organizational capacity to consistently implement successful projects. Two of these, benchmarking of the Central Bank's project management (PM) competency level and completion of the PMO charter, together set the foundation for formulation of strategies to drive further development of PM competency in the Bank. In line with this objective, the PMO rolled out its project management training programme and to date, 71% of staff has completed basic PM training. During the year, there were 15 active projects: five short-term projects to manage Central Bank events, six projects to upgrade operational efficiencies and four major projects to implement strategic initiatives.

The Enterprise Business System (EBS) is currently in the execution phase and is expected to be fully operational by December 2014. Project activities for the Credit Reporting System and NPS continued to advance, with further work on draft legislations and regulatory frameworks. In addition, requests for proposal were finalised for both projects. The Credit Reporting System project also achieved another major milestone. The Caribbean Credit Reporting Conference was held in April 2013 to heighten public awareness and encourage corporation among industry practitioners. The conference was conducted in collaboration with the International Finance Corporation (IFC) and Canadian International Development Agency (CIDA). The Time Series Data Management System Project has also made significant progress with issuance of the request for proposal to prospective vendors. Evaluation of the responses is scheduled for the first quarter of 2014.

Looking ahead, project management activities in the Central Bank are expected to further intensify during 2014 as most projects reach implementation stage and the PMO further rolls out those activities under its charter.

### Information Systems

Improved efficiency of the Bank's internal processes through the optimal use of information technology in a safe and secure environment remained a high priority operational objective. In this regard, the Bank's Information Technology Department (ITD) began the process of upgrading its information technology infrastructure as a precursor to the acquisition of new strategic systems that include an enterprise business system (EBS), an automated transfer system (ATS), and a Time Series Data Management System. The selection of a supplier of the new EBS was completed during the year and the groundwork to institute the new system started with a study that captured the

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functional requirements and design of its financial components. Implementation is scheduled for early 2014, commencing with phase I, the financial and supply chain modules. Both are expected to become fully operational by year-end.

Work was done to upgrade the SWIFT Alliance Entry system to enterprise SWIFT Alliance Access in order to accommodate the SWIFT closed user group network, which will be one of the main platforms providing connectivity for the proposed national payments system's ATS. Work also began during the year to enhance three foreign exchange databases developed in-house for the Research Department. The databases' requirements, specifications and designs were completed and should be deployed in early 2014. In line with the Bank's content driven strategy, a major upgrade of the website's content management system was also completed during the year in order to enhance all aspects of user experience on the site.

Initiatives to improve internal processes were also implemented. The ITD's operational controls, standards, guidelines and procedures underwent revision during the year to give effect to the recently revised and approved information security policies. The ITD also launched an online service desk that automated the procedure to request assistance from the department and developed service level agreements and performance measures, thus eliminating paper forms and reducing email and telephone requests. The service desk is fully integrated with Microsoft Windows Active Directory and the Exchange Server to provide maximum efficiency to end users.

For the upcoming year, the ITD will marshal and organize its resources to provide critical support for the implementation of strategic initiatives that will require information technology inputs in areas of security, data analytics and system integration as well as the alignment of the technical infrastructure to the business needs.

### Internal Audit

Internal Audit Department reports functionally to the Audit Committee and administratively to the Governor. Internal Audit assists the Board of Directors and management by providing continuous process improvement guidance and recommendations in order to facilitate the achievement of the Bank's objectives. This is accomplished through objective and focused reviews, evaluations, audits and monitoring of processes, procedures and activities; compliance with legal requirements; compliance with Bank and Government policies; compliance with applicable accounting and computer control standards; and compliance with risk management standards. During the year, Internal Audit performed those activities in the Finance, Banking and Currency, Administration,

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Human Resources, Information Technology, Security, Financial Sector Supervision and Research Departments.

Additionally, the Central Bank's Board of Directors approved revised charters of the Audit Committee and Internal Audit function. The revisions brought the charters up to date with current global practice and addressed the optimisation of financial performance, improvements in detecting and managing risks, in oversight and control of the financial system as well as compliance with legal requirements and policy direction from the Government of Belize. Furthermore, the aegis of Internal Audit was broadened to a "continuous process improvement" approach where the audit function shifts from a "policing" stance to support and assistance that improves operational efficiency and effectiveness.

In carrying out its charter, the Audit Committee monitored the activities of Internal Audit and contributed to the improvement in the design and effectiveness of internal controls, particularly those relating to the management of facilities maintenance and physical security arrangements. The Audit Committee also held meetings with key personnel and the external auditors to discuss the effectiveness of the Bank's financial operations, finances and computer control systems. The Committee also recommended the re-appointment of the existing external auditors for another three-year period.

### Human Resources

On 28 April 2013, the Central Bank mourned the untimely passing of Miss Thelma Palacio, a receptionist in the Administration Department who had been employed by the Bank for fourteen years.

### *Staffing and Employee Relations*

The Bank maintained its focus on fostering a highly engaged, motivated and satisfied workforce through the creation of a working environment that impacted positively on individual and organizational performance.

At year-end, the Central Bank's staff complement was 170, of which eight were on contracts of service, five were employed as temporary staff and three were part-time workers. The turnover rate dipped from 0.68% during 2012 to 0.64% in 2013. During the year, twelve persons joined the Bank, four were separated and one person retired. Five employees were promoted: two in the professional grades, one to the manager grade and two within the security officer grades.

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Employees who had reached their respective milestones during the period, 1 July 2012 to 30 June 2013, were recognized and rewarded. At the Annual Employee Recognition Ceremony, twenty-one employees received long service awards, including twelve for 10 years of service; four for 15 years of service; two for 20 years of service and three for 25 years of service. As part of the inculcation of a project management discipline and fostering of effective teamwork across the Bank, employees were honoured for their participation in teams that worked on cross-functional projects.

### Training and Development

Staff at the management and professional levels were trained in strategic management through customized workshops such as Bridging the Execution Gap – a Leadership Development and HR of the Future. This target group also participated in an Emotional Intelligence training workshop. Reinforcement of the preceding training was done through an on-line self-study programme, Emotional Intelligence for Personal Leadership. Furthermore, the opportunity to undertake the on-line study course in Disruptive Change Management was extended during the year to a second set of staff.

As part of the programme to develop staff proficiency in the use of the Bank's project management software, training in MS Project Management Web Application continued during the year. Employees in the supervisory and professional capacities strengthened their technical competencies through specialized trainings, seminars and workshops, such as the Commonwealth Secretariat-Debt Recording Management System Version 2.0, Anti-Money Laundering Examination, Auditing, Analyzing and Improving Process, Building Competency Model and an anti-money laundering seminar organised by the Association of Supervisors of Banks of the Americas.

### Corporate Relations/Community Service

A commitment to the continuous development of national education was demonstrated through the facilitation of tertiary level internship programmes. Six students at the university and junior college levels were offered temporary employment to meet their core requirements for graduation. In addition, at the secondary level, five senior high school students did their work study programmes at the Bank, while twelve students at the tertiary and bachelor level were hired under the Summer Employment Programme and benefitted from the opportunity to develop their practical skills and work experience.

The Bank participated in the 2013 Earth Day Clean-up Campaign which was spearheaded by the Belize Audubon Society and aimed at building environmental consciousness and garnering

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support and commitment for a sustainable and greener environment. Staff, once again, donated generously to the annual Salvation Army Christmas Appeal and the Kidney Association of Belize to assist the needy in the community, and participated in the annual Belize Cancer Society Walk to show solidarity with those affected by cancer. Furthermore, through its Cultural Outreach Programme, the Staff Club made contributions to the Dion Flowers' Third World Sports Summer Camp, the Annual Ride Out for Diabetes and a needy family.

The annual Family Day, Staff Christmas Party and Easter Egg Hunt that were held during the year were well attended. The Bankers' Christian Fellowship also continued its monthly praise and worship services and community outreach activities during the year and contributed significantly to the Central Bank's effort in promoting work-life balance.

### Annual Conference of Human Resource Managers

The XVI Annual Conference of Human Resource (HR) Managers of Central Banks in the Caribbean Region was hosted by the Central Bank from 4 to 6 September 2013 under the theme, "Human Resource Management: Aligning People and Business". Discussions focused on corporate strategies and maintenance of a motivated and inspired workforce for effective strategy execution.

Participants from the Bank of Jamaica, Bank of Guyana, Banque De La Republique D'Haïti, Centrale Bank Van Curaçao En Sint Maarten, Central Bank of the Bahamas, Central Bank of Barbados, Centrale Van Suriname, the Central Bank of Trinidad and Tobago and Central Bank of Belize shared their respective experiences in performance management and competency building in the context of modern central bank organizational development. Human resource practitioners from across Belize were also given the opportunity to participate in the conference as observers.

The agenda items included Education and the Development of Skills for the Workplace, Reviewing the Technical Potential of Integrating Occupational Assessments in Hiring: A Case Study of the Usage of Psychometric Assessments in a Selection Exercise; panel discussion on Work Life Balance/Imbalance and a workshop entitled, HR – Earning a Seat at the Strategy Table. The annual conference seeks to promote and maintain close communication and cooperation among HR practitioners of central banks in the region and allows the exchange of ideas and sharing of information on topical issues such as the latest HR management strategies that impact staff selection, compensation, performance, training and retention, and other HR related matters.

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Central Bank of Belize staff presented the following papers at the conference:

- “The Strategy-Focused Evolution of the Central Bank of Belize” by Carol Hyde
- “Aligning People & Business through Enterprise Resource Planning” by Hollis Parham
- “COSO Enterprise Risk Management Framework: Supporting Staff in the Bank’s Business Transformation” by Effie Ferrera
- “Central Bank of Belize’s Project Management Office: Influencing the Competency Continuum” by Sheree Smiling Craig
- “Leveraging Information Technology to Transform Job Performance” by Rabey Cruz

### Committee of CARICOM Central Bank Governors

In 2013, Governor Glenford Ysaguirre assumed the chairmanship of the CARICOM Central Bank Governors and the Central Bank of Belize consequently hosted the 40th and 41th bi-annual meetings of the Group. The first meetings took place in May (9th and 10th), and the second occurred in November (21st and 22nd). Participants came from regional central banks, the CARICOM Secretariat, the Caribbean Centre for Money and Finance, the Caribbean Regional Technical Assistance Centre, the IMF, the CFATF and the Centre for Latin American Monetary Studies. Chairmanship of the Committee and hosting of the meetings pass from Belize to the Central Bank of Trinidad and Tobago in 2014.