



8.0 ADMINISTRATION AND SUPPORT SERVICES



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8.1 Human Resources Management

8.1.1 Structure and Staffing

The total staff of the Bank was 607 against the establishment of 679. This complement comprised 514 (85%) employees on permanent and pensionable service and 93 (15%) on fixed-term employment contracts (see Tables 39 and 40).

Table 39: Staffing Levels

No. Functions	2005			2006			2007		
	Estab	Actual	Diff	Estab	Actual	Diff	Estab	Actual	Diff
1 Executive	10	9	-1	10	9	-1	10	9	-1
Subtotal	10	9	-1	10	9	-1	10	9	-1
2 Core Departments									
Economics	49	36	-13	49	41	-8	49	42	-7
Bank Supervision	37	33	-4	37	38	-2	37	34	-3
Non Banks Financial Institutions Supervision	34	31	-3	34	28	-6	34	32	-2
Financial Markets	33	27	-6	33	31	-2	33	31	-2
Banking, Currency & Payment Systems	93	70	-23	93	81	-12	93	85	-8
Regional Office	120	120	0	120	117	-3	120	116	-4
Subtotal	366	317	-49	366	336	-33	366	340	-26
3 Support Services									
Finance	44	40	-4	44	39	-5	44	37	-7
Procurement & Maintenance Services	73	61	-12	73	65	-8	73	67	-6
Human Resources	38	39	1	38	33	-5	38	32	-6
Information & Communications Technology	39	25	-14	39	31	-8	39	33	-6
Bank Secretariat	19	13	-6	19	15	-4	19	16	-3
Security Services	53	51	-2	53	49	-4	53	48	-5
Internal Audit	26	21	-5	26	21	-5	26	20	-6
Risk Management Department	4	3	-1	11	4	-7	11	5	-6
Subtotal	296	253	-43	303	257	-46	303	258	-45
TOTAL	672	579	-93	679	599	-80	679	607	-72

Source: Bank of Zambia

Table 40: Distribution of Staff

Office	Permanent & Pensionable Staff			Contract Staff			Grand Total
	Male	Female	Subtotal	Male	Female	Subtotal	
Lusaka	275	126	401	50	30	80	481
Ndola	76	37	113	10	3	13	126
Subtotal	351	163	514	60	33	93	607

Source: Bank of Zambia

8.1.2 Staff Movements

During the reviewed year, the Bank hired a total of 19 new employees on three-year fixed term contracts, while 11 separations were recorded, resulting in a net staff increase of 8 (see Table 41).

Table 41: Staff Movements, 2007

MOVEMENT TYPE	MONTH												TOTAL
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Recruitments	0	1	5	3	1	1	2	0	0	0	6	0	19
Reinstatement	0	0	0	0	0	0	0	0	0	0	6	0	0
Total Inward Staff Movements	0	1	5	3	1	1	2	0	0	0	6	0	19
Dismissals	0	0	0	0	0	0	0	0	0	0	0	0	0
Resignations	1	1	0	3	0	0	0	3	0	0	0	0	8
Statutory Retirements	0	0	0	0	0	0	0	0	0	1	0	1	2
VESS	0	0	0	0	0	0	0	0	0	0	0	0	0
Death	0	0	0	0	0	1	0	0	0	0	0	0	1
Total Outward Staff Movements	1	1	0	3	0	1	0	3	0	1	0	1	11
Net Staff Movements	-1	0	+5	0	+1	0	+2	-3	0	-1	+6	-1	+8

Source: Bank of Zambia

8.1.3 Capacity Building Programmes

8.1.3.1 Talent Development and Nurturing

The Bank continued to provide talent capacity building programmes through scholarships, tuition and paid study leave for staff to improve their proficiency using various institutions and the Bank's In-Service Training Centre (ISTC). A total of 23 Bank employees completed various study programmes in 2007 (see Table 42).

Table 42: Study Programmes, 2002 - 2007

PROGRAMME	YEAR						TOTALS
	2002	2003	2004	2005	2006	2007	
PhD	0	1	0	1	2	3	7
Masters Qualifications; MBA, LL.M, MSc etc	2	6	8	9	7	8	40
Bachelors Degrees in Laws, Banking & Financial Services, Public Administration & Computing	0	2	4	2	1	3	12
Professional Qualifications; Chartered Financial Analyst, Certified Internal Auditors & Association of Certified Chartered Accountants	0	4	1	0	1	1	7
Diplomas in Business Management, Public Administration, Treasury & International Banking, Computing, Banking, Purchasing & Supply & accounting	2	15	12	3	5	8	45
TOTAL	4	28	25	15	16	23	111

Source: Bank of Zambia

8.1.3.2 Performance Management System

The Bank embarked on a project to revise its Performance Management System with the help of Messrs P3 Africa Consultancy (Pty) Limited of South Africa in 2007.

8.1.3.3 University Chairs

The Bank of Zambia renewed the two Memoranda of Understanding (MoU) for another three years with the University of Zambia (UNZA) and the Copperbelt University (CBU) for the continued provision of financial support to the two institutions.

A notable change in the new MoUs was the provision of separate funding for research purposes. The Bank also undertook to continue supporting the five outstanding students from each of the two faculties, Economics at UNZA and Business Administration at CBU.

8.1.3.4 Library and Records Management

In order to enhance improved access to records and operational efficiency, the Bank procured an Electronic Document Management System (EDMS) whose full implementation is scheduled for 2008. The Bank also continued with the programme of Bank-wide centralisation of registries.

8.1.3.5 Organisation Development

The Bank continued to monitor and review its performance as contained in its 2004-2007 Strategic Plan. With the support of local consultants and experts from the International Monetary Fund (IMF), the Bank commenced the preparation of the 2008-2011 Strategic Plan.

8.1.4 Employee Relations

During the year, the industrial relations environment in the Bank remained harmonious despite some difficulties which were experienced during the collective bargaining process. Management and the Bank of Zambia branch of the Zambia Union of Financial Institutions and Allied Workers (ZUFIAW) declared a collective dispute in October 2007 and, in line with the Law, appointed a Board of Conciliation to mediate in the dispute. However, in the spirit of mutual understanding, management and the Union resolved to engage in consultative talks which resulted in the eventual resolution of the dispute.

8.1.5 *Staff Welfare*

8.1.5.1 *Recreation*

In the period under review, Management approved a rehabilitation plan of the Clubhouse in an effort to raise the standard of the club to enhance staff interaction.

8.1.5.2 *Health and Safety*

8.1.5.2.1 Clean Work Environment Campaigns

In 2007, the Bank embarked on various programmes to improve its work environment and the community it serves in line with the 'Keep Zambia Clean and Healthy campaign'.

8.1.5.2.2 Employee Health

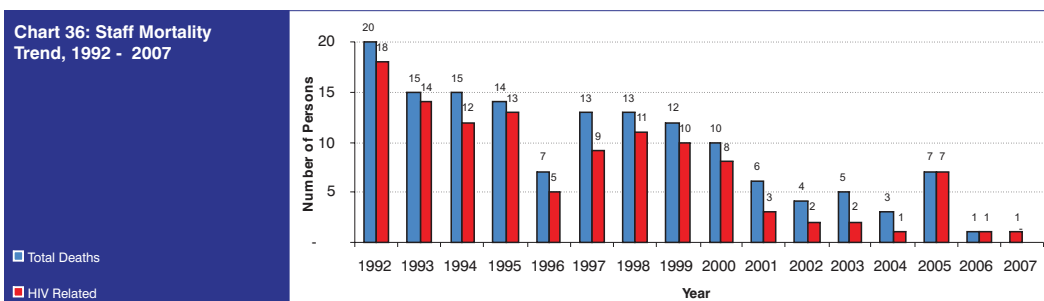
Building on the gains made in previous years, sensitisation campaigns on HIV/AIDS were intensified in 2007. A total of 45 members of staff underwent Voluntary Counselling and Testing (VCT), indicating a decline of 25% from the 2006 number of 60. The number of Staff and their dependants accessing Antiretroviral drugs (ARVs) increased to 163 from 144 in 2006. The increase in people accessing ARVs reflected a sustained effort by Management to encourage VCT among staff and their dependants (see Table 43).

Table 43: Beneficiaries of VCT and/or Arts, 2000 - 2007

YEAR	NUMBER OF BENEFICIARIES			TOTALS
	Staff	Spouses	Children	
2000	2	0	0	2
2001	11	2	3	16
2002	20	13	2	35
2003	7	6	2	15
2004	59	30	11	100
2005	78	38	14	130
2006	81	46	17	144
2007	94	51	18	163

Source: Bank of Zambia

The downward trend in total deaths continued, indicative of the effectiveness of the interventions that the Bank put in place to combat the HIV/AIDS scourge. As a result, during the period under review, the Bank did not record any HIV/AIDS related deaths (see Chart 36).



8.2 **Internal Audit**

During 2007, the Bank, through internal audit activities continued with evaluations of the effectiveness of internal controls over the accounting, operational and administrative functions of the Bank. The audits were conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and Control Objectives for Information and related Technology (COBIT). In addition, the Bank continued to use Computer Assisted Auditing Tools, namely, Auto Audit and Audit Command Language (ACL) in undertaking its audit assignments.

In line with best practice, a full quality assessment was undertaken by PricewaterhouseCoopers on the Bank's Internal Audit Services for the five year period up to December 2006. The assessment revealed

that, overall, the Bank complied with the International Standards for the Professional Practice of Internal Auditing as issued by the Institute of Internal Auditors (IIA) of the United States of America.

8.3 Finance

In 2007, the Bank continued to ensure sound budgetary and financial controls and prepared audited financial statements for the year 2006 in line with International Financial Reporting Standards (IFRS). The financial statements were approved by the Board in May 2007, well within the statutory requirement of six months after the end of the financial year. Furthermore, the Bank continued to maintain efficient and reliable receipts and payments systems to cater for the needs of internal and external clients, such as, Government, commercial banks and suppliers of goods and services.

8.4 Bank Secretariat

During the review period, the Board of Directors held four regular and three special Board meetings at which numerous important decisions were made. These included the following:

- Introduction of a Policy on Fixed Term Contracts;
- Introduction of the Whistleblower Policy;
- Re-aligning and increasing the membership of the Monetary Policy Advisory Committee (MPAC);
- Introduction of Staff Loan Facilitation from other financial institutions;
- Introduction of a Redundancy Policy for Management Staff; and
- Revisions to and reinstatement of the Voluntary Early Separation Scheme (VESS).

Building upon an exercise that commenced in 2005, the law review exercise gained particular momentum in the year under review and resulted in the enactment of the National Payment Systems Act. In addition, several Gazette notices prescribing certain regulatory requirements were issued in accordance with the Bank of Zambia Act and the Banking and Financial Services Act. The Bank also continued to actively participate in the SADC central bank governors' initiative to develop a model central bank law for the region.

As part of its Corporate Social Responsibility programme, the Bank continued to be active in the community by assisting needy institutions such as the University Teaching Hospital, Kalingalinga Hospice, and other charitable organisations. The Bank also continued to maintain the Mukuyu Slave Tree in Kabwe as part of the Tree's restoration and preservation.

In 2007, the Bank working with other stakeholders hosted two international conferences themed; Making Finance Work for Africa: Southern Africa Round-Table Discussion (7th – 9th May 2007) and Central Bank Independence: Does it Hurt the Treasury? (12th – 13th November 2007).

The Bank of Zambia continued to disseminate information to the public through several publications that included the *Monetary Policy Statement, Statistics Fortnightly, Quarterly Financial and Statistical Review*, and the *ZAMBANKER*. The dissemination was also done through the quarterly media briefs, media and parliamentary seminars, and participation at the Zambia International Trade Fair, the Copperbelt Mining and Commercial Show and the Agriculture and Commercial Show of Zambia.

The Governor, Dr Caleb M. Fundanga, was honoured with two international awards in 2007. In January 2007, he was given the Central Bank Governor of the Year for Africa and for the World AWARD by the Financial Times. The event was held in Lusaka at State House and was officiated by His Excellency the President Dr. Levy Mwanawasa Sc. The Governor was further honoured with the African Governor of the Year Award by Standard Bank in October 2007 in Washington DC.

8.5 Information and Communications Technology

During 2007, the Bank continued with its program of implementing the Control Objectives for Information and related Technologies (COBIT) as a framework for IT Governance. The development of the COBIT framework was augmented by other industry standards such as the ISO 17799/27000, Information Technology Infrastructure Library (ITIL) and the Project Management Institute (PMI) standards on project management. As a result of adopting these standards, the Bank conducted the first ever partial disaster recovery test at its disaster recovery site.

Further, the Bank undertook the following projects:

- Upgrading of the SWIFT infrastructure. Specifically, the SWIFTNet Phase 2 C1 infrastructure upgrade was completed on the production, test and training and contingency environments;
- Implementation of the Encoder System for Cheque Clearing and Imaging at Regional Office. This milestone ensured that the Bank had identical equipment at both locations thereby reducing support related costs;
- Upgrading of the Reuters System from version 5.0 to 6.0 to improve efficiency in information gathering and dissemination;
- Implementation of the Vehicle Fleet Management Systems on a centralised database system for the Head and Regional Offices;

8.6 Security Activities

During the year, the Bank conducted counterfeit sensitisation workshops throughout the country. This was aimed at raising awareness levels among the public on counterfeit matters.

8.7 Procurement and Maintenance

In 2007, the Bank of Zambia continued to implement the new "open floor concept", which has several advantages including efficient utilisation of space and accompanying improvements in office lighting and air conditioning. The concept also improves the management of voice, data and power cables.