

ADMINISTRATION

Information Systems

The Central Bank improved its security posture by upgrading its network operating environment and by deploying a new family of firewall and Intrusion Prevention System security solutions. And as a key component of its disaster/recovery preparedness strategy, a new backup wireless internet service was acquired to replace the satellite link that had become inoperable. New software applications were introduced during the year to aid in the management of staff loans and the Central Bank's library and these utilities were made available to staff via the intranet. There was also successful in-house production of software that enabled increased flexibility in the handling of data received electronically and facilitated improved monitoring of foreign exchange requests and responses. Apart from being the 30th anniversary of Belize's independence, 21 September 2011 also marked an important milestone for the Central Bank with the official launching of its new website. The latter represented the fruit of a 14-month long project to improve the content, navigability and user friendliness of this public portal. The website was developed using best practices for navigation and user experience, and a new governance structure was also implemented to maintain its functionality and content quality.

Internal Audit

Internal Audit continued to closely monitor key operational areas and other general administrative functions to assess the effectiveness of internal controls. In addition, recommendations that were made in the previous year were monitored to ensure that they were fully implemented. Internal

Audit was able to assure the Board and the public that established processes to identify, evaluate and manage the Central Bank's risk were effectively implemented throughout the year.

In fulfilling its oversight responsibilities, the Audit Committee liaised with external auditors and made recommendations to the Board on issues relating to risk management and internal controls. The Audit Committee also ensured that management appropriately addressed the issues raised by the external auditors. Based on the review of Internal Audit reports, the Audit Committee was able to verify and assure the Board that the Central Bank's affairs were being handled in a transparent and scrupulous manner that is supported by prudent accounting policies, internal controls and financial reporting practices.

Project Management

With a view to facilitating successful management and completion of projects, the Project Management Office (PMO) focused on providing guidance and support to project managers and team members in the use of project management tools and application of standards and processes. These efforts were fruitful as advancements were made in several major projects, which had commenced in the previous year in accordance with approved project plans. These included a new website, national payments systems, credit bureau, an enterprise business system (EBS) and an external communication plan.

In addition to assisting with the successful development and launching of the Central Bank's

new website, the PMO was involved in foundational work for the national payments systems (NPS) reform project that included the definition of the vision and drafting of the implementation plan and legal framework. These critical pillars of the NPS project are planned for completion during the first half of 2012. Activities related to the credit bureau project focused on improving stakeholder awareness through meetings in which the market assessment findings and recommendations of the International Finance Corporation (IFC) consultants were presented. The next tasks will be aimed at getting the completion of the national vision strategy in parallel with the draft legislation. The PMO also worked with the Central Bank's project team for external communications during the year in drafting a comprehensive plan, which is slated for further review and fine tuning before being fully implemented. Another important project involved the selection of electronic software to meet the expanded needs of the Central Bank and replace its accounting system which will soon be obsolete. The required specifications for an EBS for the Central Bank were drawn up and are currently being analyzed. EBS modules identified as priority areas are planned for implementation and production in 2012.

Human Resources

Using management staff as the pilot group, the Human Resources Department embarked on a Competencies Project to align the performance and behaviour of employees with the objectives and core values of the Bank. The result of this exercise was the development of a matrix that defined Bank-wide and job-specific competencies (business, functional and technical), which will be a guide in developing the human resource framework required to implement

the multiple initiatives that underpin the Central Bank's mission and vision.

In October, the Central Bank also commenced the first phase of a Corporate Strategic Plan Project utilizing the Balanced Scorecard methodology. The objective was to reshape the work environment and corporate culture with a view to engendering a sustained and long term improvement in the institution's all-round performance. Phase I included the completion of a culture survey, revisions of the Central Bank's mission and vision statements, preparation of a strategy map and Balanced Scorecard and a list of initiatives that will be prioritized for the commencement of Phase II of the Project.

Staffing and Employee Relations

At year-end, the staff complement numbered 171, of whom 155 were permanent employees, 12 were on contract, and 4 were temporary. Seven persons joined the Central Bank during the year, four employees resigned, and two retired, one of whom had the distinction of being the longest serving member of staff that had been with the institution since its inception. At 2.4%, the relatively low turnover rate was evidence of the success of the Central Bank's staff recognition and retention programmes.

Staff Activities

Staff promotions during the year included two to fill management positions and one to the professional level. At the Annual Employee Recognition Ceremony and Family Day, twenty two staff members were honoured for serving 10 or more years. Included in the recipients were eight persons

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who had served for 20 years, two who had been with the Central Bank for 25 years and Ms. Luisa Marin whose unbroken service of 30 years included a stint with the Monetary Authority, the institution that preceded the Central Bank of Belize.

As part of the Central Bank's community outreach, the Human Resources Department coordinated a gift drive aimed at making a positive impact on the "at-risk" residents of the Youth Hostel. Staff also continued to donate generously to the annual Salvation Army Christmas Appeal to assist the needy, participated in the annual Belize Cancer Society Walk to show solidarity with the victims of cancer, donated to the Ride Across Belize to create awareness for the Diabetes Association of Belize and contributed to the Belize Blood Bank volunteer drive. Several social, sporting and outreach activities were organized by the Central Bank's Staff Club throughout the year. This comprised cultural presentations and competitions during the month of September to highlight and celebrate the national holidays that included Belize's 30th anniversary of independence. The Club's activities also included the award of a scholarship to an underprivileged student and the donation of cash, food items and clothing to various needy schools.

Training and Development

In-house training workshops were held to equip management staff with the knowledge and skills required to successfully develop and implement a Corporate Strategic Plan using the Balanced Scorecard methodology. Numerous other training and professional development opportunities were provided to staff to improve functional skills and strengthen technical competencies. These

included customized trainings conducted by the University of the West Indies School of Continuing Studies (Belize) on Time & Stress Management, Interpersonal Skills and Team Building. Staff in the Human Resources Department received in-house training in Payroll Administration and a workshop for economists (Part II: Econometrics for Central Bankers) that covered various econometric modelling and forecasting techniques was also conducted. Other specialized trainings and conferences attended by Central Bank staff included the First Regional Payment Systems Workshop for Latin America & the Caribbean in Trinidad, Euromoney Training in Applying IFRS/IAS in New York, Central Bank Governance in Costa Rica, Monetary Policy, Exchange Rates and Capital Flows in Switzerland and Consolidated Supervision and Risk Integration in Jamaica.

Supervision of the financial sector was further strengthened through specialized staff training and participation at several major conferences. These included the International Anti-Money Laundering Compliance Training by FINTRAC, Small Countries Financial Management Programme, Supervising Operational Credit Risk, an On-Site Attachment Training with the National Credit Union Administration in Washington, D.C., the Third Caribbean Microfinance Forum, Credit Reporting and Risk Management and a Market Risk Seminar held in Trinidad. The Caribbean Regional Technical Assistance Centre, through a Supervisory Review Consultancy, provided assistance to the Central Bank to strengthen its supervisory framework for credit unions. Consequently, a training program was conducted for staff of the Financial Sector Supervision Department and credit union officers

entitled, "History, Philosophy and Financial Standards for Credit Unions".

Three employees who received full training awards from the Central Bank as part of its commitment to facilitate higher education successfully completed their degrees. In addition, six other employees, who had been supported and encouraged by the Bank in self-initiated study programmes, obtained higher degrees from local tertiary institutions.

Corporate Relations

The Central Bank demonstrated its commitment to continuous development of national education through participation in tertiary level internship programmes. Seven students at the university and junior college levels were offered temporary employment to meet their core requirements for graduation. Furthermore, at the secondary level, nine senior high school students did their work study programmes at the Central Bank and nine tertiary level students had the opportunity to develop their practical skills and work experience under the Summer Employment Programme.

Research Presentations

Economists from the Central Bank's Research Department completed four papers, which were presented in a forum that was held in November. Invited guests included members of the Central Bank Board of Directors, members of the Technical Committee as well as economists and other staff from the Ministry of Finance and the Ministry of Economic Development.

The presented papers included:

"Measuring the Real Effective Exchange Rate (REER)

for Belize" by Candice Soutar and Jair Santoya;

"Financial Integration of Belize with Central America and CARICOM" by Shanon Sebastian;

"Determinants of Interest Rate Spreads in Belize" by Paula Perez (also presented at the Caribbean Centre for Money and Finance Conference);

"Price Rigidity in Belize" by Emory Ford.