

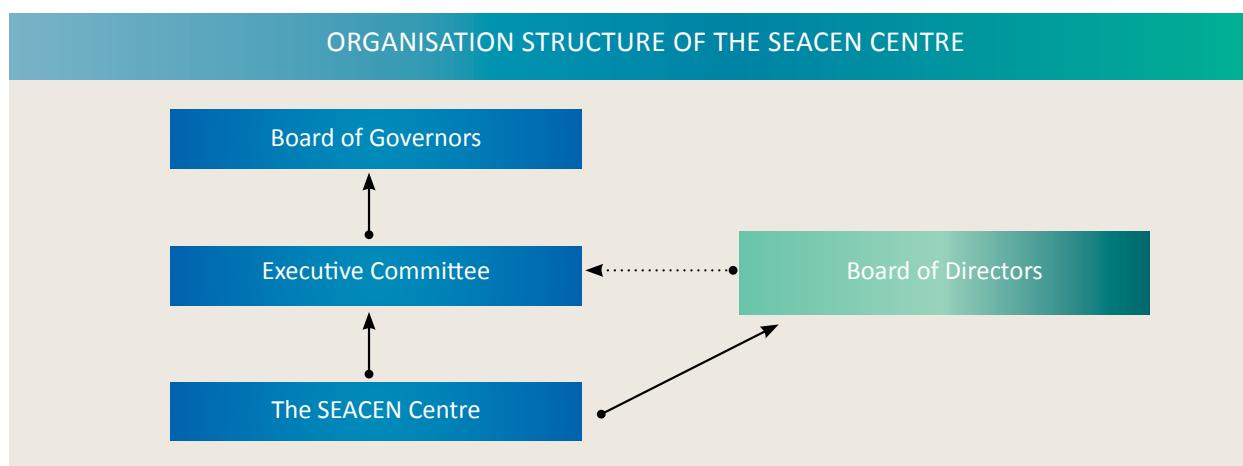
### III. ORGANISATION AND GOVERNANCE

#### Introduction

The organisation and governance of The SEACEN Centre has been guided by the Agreement among SEACEN Central Banks on the South-East Asian Central Banks (SEACEN) Research and Training Centre dated 3 February 1982, and the Agreement among the South-East Asian Central Banks and The SEACEN Centre dated 3 February 1982. Under the Agreement, the SEACEN Board of Governors (BOG) is the supreme decision-maker regarding The SEACEN Centre. The SEACEN Centre shall exercise its powers and discharge its duties under the direction and supervision of, and in consultation with the BOG. Accordingly, The SEACEN Centre’s policies, budget, and work programme shall require the approval of the BOG.

With a view to enhance the effectiveness of the Centre’s operations, a comprehensive strategic review was initiated at the 18th BOG Meeting in Seoul in 1999. The strategic review, which was conducted by external consultants and which received inputs from The SEACEN Centre’s major collaborators, namely the IMF and BIS, covered wide range of issues of strategic importance, including governance structure of the Centre. One of the major recommendations that was presented and discussed at the 21st BOG Meeting in Singapore is the proposal to modify the governing structure of the Centre by establishing an Executive Committee (EXCO) to act on behalf of the BOG. After deliberations, the BOG agreed in principle to establish the EXCO and delegate to the EXCO most of the detailed supervision of The SEACEN Centre. This will enable the BOG to concentrate their deliberations at the annual Meeting on international economic and financial developments and policy issues of strategic importance to The SEACEN Centre.

As a follow-up to the BOG agreement above, two additional Meetings at the Deputy Governor level were convened in Singapore on 9 November 2001 and 12 March 2002 to discuss issues relating to the formation of the EXCO. At the 21st BOG Meeting in Mongolia in June 2002, the BOG approved the recommendations of these Meetings on the formation of the EXCO and its Terms of Reference. Following this establishment, the BOG has delegated the powers of the management and administration of The SEACEN Centre, including the approval of budget and programme of activities, to the EXCO (details on the terms of reference is found under the EXCO section). In addition, the roles and responsibilities of the BOG and Board of Directors (BOD) has been redefined (details are found in the following sections of the SEACEN BOG and BOD). The current organisation structure of The SEACEN Centre is presented below:



## SEACEN Board of Governors

In the Agreements among the SEACEN Central Banks dated 3 February 1982, it was stated that the BOG shall comprise of a representative of each of the members, and each of the members' covenants and undertakes to bear the responsibilities and liabilities related to the Agreement. The SEACEN Centre undertakes and agrees that it shall exercise its powers and discharge its duties under the direction and supervision of, and in consultation with the BOG. Members of the SEACEN BOG as of June 2010 are presented on page 18.

Following the establishment of the EXCO in June 2002, in which the BOG agreed to delegate to the EXCO most of the detailed supervision of The SEACEN Centre, the BOG will continue to make decisions on the following matters, upon recommendation of the EXCO:

1. Appointment of the Executive Director of The SEACEN Centre;
2. Ratification of the EXCO's decisions on matters outlined under the responsibilities and functions of the EXCO;
3. Admission of new members and observers to The SEACEN Centre; and,
4. Other matters of strategic importance to The SEACEN Centre.

## SEACEN Board of Directors

In the Articles of Association of The SEACEN Centre dated 22 January 1982, it was stated that the affairs of the Centre are managed by the Board of Directors. The Board of Directors (BOD) consists of the Governor of Bank Negara Malaysia (as Chairman), Deputy Governor of Bank Negara Malaysia and the Executive Director of The SEACEN Centre. In the Articles of Association, it was mentioned that the BOD formulates the policy on all matters concerning the activities and management matters of The SEACEN Centre.

Following the establishment of the EXCO, it was decided that the EXCO would assume the BOD's function in formulating policy on all matters concerning the activities and management of The SEACEN Centre. Consequently, the BOD's roles are as follows:

1. Ensure that the operations of The SEACEN Centre comply with Malaysian laws;
2. Ensure that the financial affairs of the Centre are in order;
3. Ensure the implementation of decisions, programme of activities and budget as approved by the BOG; and,
4. Oversee the internal audit of The SEACEN Centre and report its findings to the EXCO. Such audits shall be conducted at least once every two years.

The current members of the BOD (as of July 2010) comprise:

Chairman: **Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz**  
Governor of Bank Negara Malaysia

Members: **Dato' Muhammad bin Ibrahim**  
Deputy Governor of Bank Negara Malaysia

**Dr. A.G. Karunasena**  
Executive Director of The SEACEN Centre

**SEACEN Board of Governors (BOG)**  
(as of July 2010)



*Chairman*  
*Dr. Chea Chanto*  
*Governor*  
*National Bank of Cambodia*



*Mr. Haji Mohd. Roselan bin Haji Mohd. Daud*  
*Permanent Secretary*  
*Ministry of Finance,*  
*Brunei Darussalam*



*Mr. Sada Reddy*  
*Governor*  
*Reserve Bank of Fiji*



*Dr. Darmin Nasution*  
*Acting Governor*  
*Bank Indonesia*



*Dr. Choongsoo Kim*  
*Governor*  
*The Bank of Korea*



*Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz*  
*Governor*  
*Bank Negara Malaysia*



*Dr. L. Purevdorj*  
*Governor*  
*The Bank of Mongolia*



*U Than Nyein*  
*Governor*  
*Central Bank of Myanmar*



*Dr. Yuba Raj Khatriwada*  
*Governor*  
*Nepal Rastra Bank*



*Mr. Loi M. Bakani*  
*Governor*  
*Bank of Papua New Guinea*



*Mr. Amando M. Tetangco, Jr*  
*Governor*  
*Bangko Sentral ng Pilipinas*



*Mr. Heng Swee Keat*  
*Managing Director*  
*Monetary Authority of Singapore*



*Mr. Ajith Nivard Cabraal*  
*Governor*  
*Central Bank of Sri Lanka*



*Mr. Fai-Nan Perng*  
*Governor*  
*Central Bank of the Republic of China (Taiwan)*



*Dr. Tarisa Watanagase*  
*Governor*  
*Bank of Thailand*



*Dr. Nguyen Van Giau*  
*Governor*  
*State Bank of Vietnam*



*45th SEACEN Governors' Conference and 29th Meeting of SEACEN Board of Governors: SEACEN Board Governors and Representatives with H.E. Keat Chhon, Deputy Prime Minister of Cambodia (7th from left) and Guest Speakers, February 2010, Cambodia*

## SEACEN Executive Committee (EXCO)

According to its Terms of Reference, the Executive Committee (EXCO) is chaired by the Governor of the central bank or monetary authority currently chairing the Board of Governors (BOG). If so delegated by his/her Governor, the EXCO could be chaired at the Deputy Governor's level. The rest of the EXCO comprise the Deputy Governors of all member central banks, with alternate representation kept at the Assistant Governor level. The responsibilities and functions of the EXCO are as follows:

- a. *Consider and advise the BOG on high-level policy matters of strategic importance to The SEACEN Centre;*
- b. *Consider and approve the funding for the Centre's annual budget as submitted by the Executive Director. The budget will then be submitted to the BOG for its ratification;*
- c. *Examine and approve the Centre's proposed research and training programme and activities as submitted by the Executive Director;*
- d. *Formulate, review and approve rules and regulations with regard to the staff of The SEACEN Centre, financial procedures to be followed by the Centre and all other policy matters for the effective management of the affairs of The SEACEN Centre;*
- e. *Make recommendation to the BOG on the admission of new members and observers;*
- f. *Approve any arrangements entered into by The SEACEN Centre with other central banks or monetary authorities or specialised regional or international organisations, fora or agencies;*
- g. *Make recommendation to the BOG on the appointment of the Executive Director of The SEACEN Centre, and approve the appointment of the Directors of The SEACEN Centre;*
- h. *Have all the powers for the management and administration of The SEACEN Centre as delegated by the BOG.*

The EXCO meets at least once a year. A quorum for the EXCO Meeting shall consist of at least two-thirds of the membership of The SEACEN Centre. In the event that an EXCO member and the alternate are both unable to attend the Meeting, the EXCO may allow a representative of the concerned member central bank or monetary authority to attend such meetings as a non-voting member and his/her attendance will not constitute part of the quorum required for the meeting. The member central bank or monetary authority chairing the EXCO shall, in consultation with The SEACEN Centre, set the agenda and provide administrative support for EXCO meetings.

Decisions in the EXCO meeting are adopted by two-thirds majority of the membership of The SEACEN Centre. The EXCO Chair provides a written report to the BOG on key decisions and/ or recommendations undertaken at the EXCO meetings. The SEACEN Centre shall provide secretariat support to the EXCO. The Directors of Research and Training (DORT) of member banks serve as advisors to the EXCO.



SEACEN EXCO Meeting Delegates  
January 2010  
Kota Kinabalu, Sabah, Malaysia

**SEACEN Executive Committee (EXCO)**  
(as of July 2010)



*Chairman*  
*Dr. Chea Chanto*  
*Governor*  
*National Bank of Cambodia*



*Tuan Haji Adi Marhain*  
*bin Haji Leman*  
*Acting Chief Executive Officer*  
*Brunei Currency and Monetary Board*  
*Ministry of Finance, Brunei Darussalam*



*Dr. Sum Sannisith*  
*Assistant Governor*  
*National Bank of Cambodia*



*Mr. Barry Whiteside*  
*Deputy Governor*  
*Reserve Bank of Fiji*



*Dr. Hartadi A. Sarwono*  
*Deputy Governor*  
*Bank Indonesia*



*Dr. Kim Jae-Chun*  
*Deputy Governor*  
*The Bank of Korea*



*Dato' Muhammad*  
*bin Ibrahim*  
*Deputy Governor*  
*Bank Negara Malaysia*



*Mr. B. Javkhlan*  
*First Deputy Governor*  
*The Bank of Mongolia*



*U Maung Maung Win*  
*Deputy Governor*  
*Central Bank of Myanmar*



*Mr. Bir Bikram Rayamajhi*  
*Deputy Governor*  
*Nepal Rastra Bank*



*Mr. Benny B M Popoitai,*  
*MBE*  
*Deputy Governor*  
*Bank of Papua New Guinea*



*Mr. Diwa C. Guinigundo*  
*Deputy Governor*  
*Bangko Sentral ng Pilipinas*



*Mr. Ong Chong Tee*  
*Deputy Managing Director*  
*Monetary Authority of Singapore*



*Mr. K G D D Dheerasinghe*  
*Senior Deputy Governor*  
*Central Bank of Sri Lanka*



*Dr. Chin-Long Yang*  
*Deputy Governor*  
*Central Bank of the Republic*  
*of China (Taiwan)*



*Dr. Bandid Nijathaworn*  
*Deputy Governor*  
*Bank of Thailand*



*Mr. Nguyen Van Binh*  
*Deputy Governor*  
*State Bank of Vietnam*

## The SEACEN Centre

In the Agreement among the SEACEN Central Banks dated 3 February 1982, it was stated that the SEACEN Central Bank Governors had formalised existing informal arrangements on the use of The SEACEN Centre for the purpose of stimulating and facilitating cooperation in the area of training and research, and of promoting better understanding of financial, monetary, banking and economic development matters of interest to the members. On 27 January 1982, a week before the Agreement was signed, The SEACEN Centre was established under Malaysian law as a company limited by guarantee under the Malaysian Companies Act 1965.

After the establishment of the EXCO in 2002, the supervision and monitoring of management and administration of the Centre have been transferred from the Board of Directors to the EXCO. The SEACEN Centre plays a supporting function to the EXCO. The SEACEN Centre prepares and submits the proposed annual budget to the EXCO for review and approval. The SEACEN Centre also draws up and submits to the EXCO detailed financial accounts of The SEACEN Centre and any other reports as required by the EXCO, including contributions and technical assistance received from non-members.

The SEACEN Centre submits the proposed programme of training and research activities for the forthcoming operating year to the EXCO for its review and approval. In formulating these research and training programmes and other activities, The SEACEN Centre works in close consultation with the Directors of Research and Training (DORT) of the SEACEN member central banks/monetary authorities.

## Organisation Structure

To realign the focus of SEACEN activities and resources with the SEACEN vision to become a premier regional training centre for central banks in the Asia-Pacific region, the BOG at its 25th Meeting tasked The SEACEN Centre to conduct the Review of the Organisation Structure, Job Description and Remuneration, with the assistance of Bank Negara Malaysia.

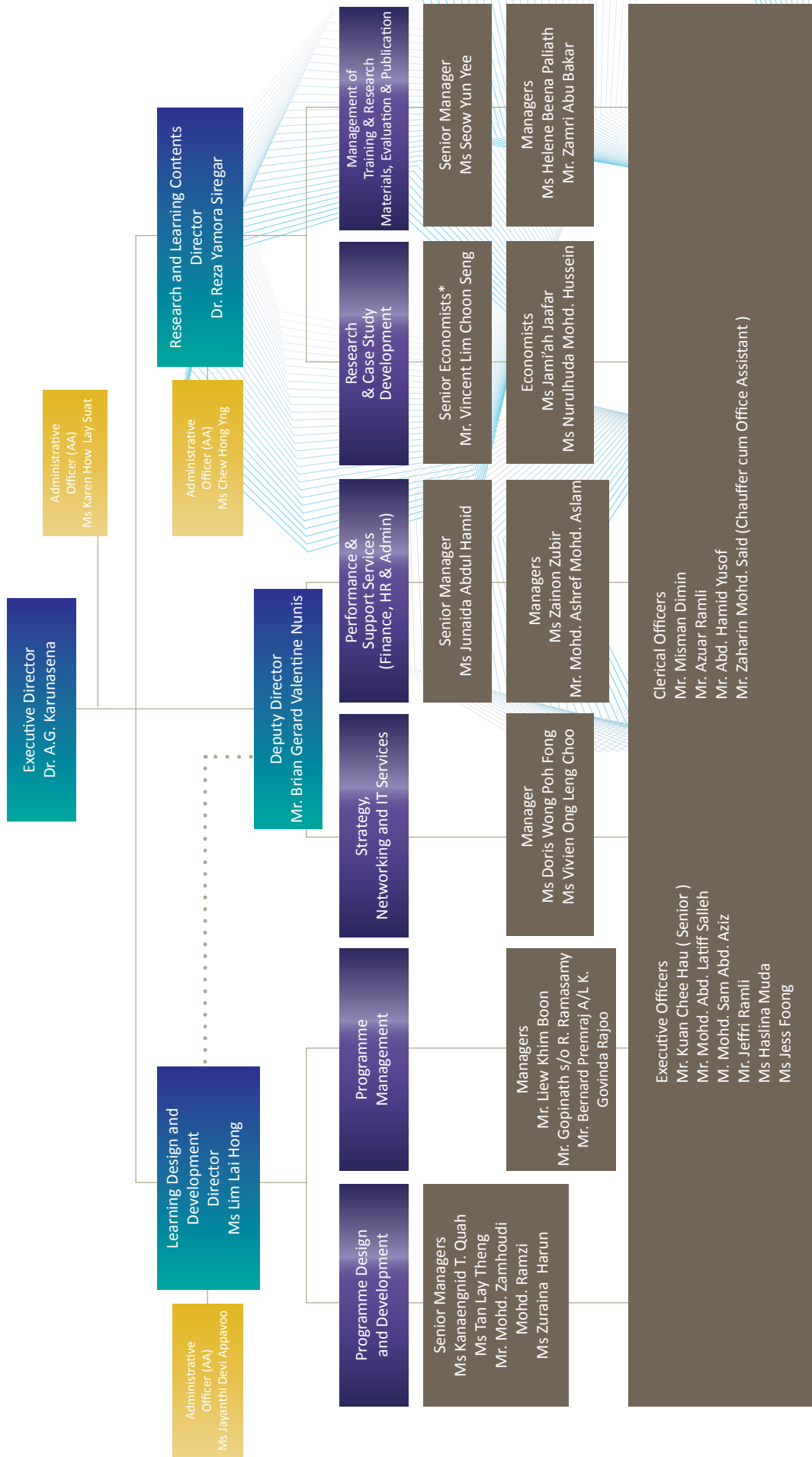
The new Organisation Structure is designed to place training and research as mission critical activities. Training was reorganised to lead the SEACEN transformation from being a training organiser to become a training centre of choice by OY 2010/11 and beyond. Research functions were re-orientated to support training, mainly through development of case studies and course contents as well as adapting research projects as learning materials. All the support functions were organised to provide full support for effective implementation of training and research activities.

The new Organisation Structure, Job Description and Remuneration, which was endorsed by the EXCO at the 6th SEACEN EXCO Meeting in January 2008, was subsequently approved by the BOG at the 27th BOG Meeting in March 2008. The Approved New Organisation Structure is presented in Chart 2.

To ensure a robust transition from the existing to the new organisation and salary structures, the BOG has also approved the phase-approach implementation plan at the 27th Meeting. The first phase involving the job migration exercise was completed in OY2008/09 which began with a job-person-fit assessment to ascertain that the new roles are performed by suitable and qualified staff. The placement of staff to new positions was based on 2 considerations of staff's interest and preference as well as job suitability based on qualification, experience, technical and behavioural competencies required for the new positions. In this regard, a robust process was applied to professional staff, who bear the major impact of the changes in roles and responsibilities. For the support staff whose functions are largely unchanged, the job migration was a straightforward mapping to equivalent positions. The assessment indicated that there were some gaps in the competencies and skills which cannot be found in the existing staff and as a result, 5 new staff with the required competencies were recruited from the market. With the completion of the job migration exercise in OY 2008/09, the BOG also ratified the salary migration in OY 2009/10 based on 3 considerations of (i) individual staff is not worse off in terms of salary as a result of the salary migration; (ii) existing salary scale will be mapped to the appropriate salary band under the new structure; and, (iii) salary adjustments for individual staff are differentiated by performance.

In tandem with the new organisation structure, The SEACEN Centre also initiated a new performance management system with strategic intent to be a performance-driven organisation where high performance was rewarded and poor performance penalised. The system was designed to (i) enhance objectivity and transparency in performance rating by contracting clear and measurable key results areas and job targets between supervisor and staff; (ii) improve feedback and coaching process; and (iii) use performance ratings as basis for reward, sanction, deployment, development and career progression.

**Chart 2 SEACEN ORGANISATION STRUCTURE (As of July 2010)**



*\* Excluding Visiting Research Economists (VREs) and Senior Subject Matter Experts (SMEs)*