



The Bank's Organizational Management in Fiscal 2018

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I. STATEMENT OF ACCOUNTS AND BUDGET FOR EXPENSES

As for the Bank of Japan's expenses for fiscal 2018, the Bank duly made, in line with the budget, the disbursements necessary to cover *The Bank of Japan's Strategic Priorities for Fiscal 2014–2018* (the 2014–18 Strategic Priorities). With regard to the Bank's statement of accounts for fiscal 2018, the total amount of actual expenses decreased from the previous fiscal year by 0.2

percent (0.4 billion yen) to 192.6 billion yen. Regarding the Bank's budget for expenses for fiscal 2019, the Bank carefully examined overall expenditure in compiling a suitable budget for the year while securing the necessary budget to perform its role as the country's central bank.

II. IT INVESTMENT

The Bank steadily carried out the system development projects necessary to achieve the goals set out in the 2014–18 Strategic Priorities, while working to raise the efficiency and streamline the development of such

projects. The scale of system development for fiscal 2018 was 13,403 person-months¹ (including 10,390 person-months that were outsourced).

III. HUMAN RESOURCES

The Bank maintained the number of employees necessary to achieve the goals set out in the 2014–18 Strategic Priorities without breaking the ceiling on the number of full-time employees for fiscal 2018, which was set at 4,900. Following the Bank's efforts to further increase the efficiency of its overall business operations while securing the necessary employee numbers, the number of full-time employees stood at 4,636 at the end of March 2019, down 17 from the previous fiscal year (Table 1).

Regarding remuneration, the Bank raised the annual remuneration for its officers—through increasing their

bonuses—in fiscal 2018 by 0.1 percent from the previous fiscal year.

As for its employees, the Bank raised the annual remuneration for fiscal 2018 by 0.6 percent from the previous fiscal year. For those in non-managerial positions, the Bank raised the base levels of salaries by 0.3 percent from the previous fiscal year and paid semiannual bonuses in May and November, each amounting to 2.132 months of salary, on a basis excluding the base salary increase. For those in managerial positions, the Bank paid 2.253 months of salary per semiannual bonus.

1. In system development, one person-month is the workload equivalent of one person working for one month.

Table 1

Number of Full-Time Employees as of the End of March 2019

number of people; figures in parentheses are as of the end of March 2018

Total		4,636	(4,653)
	Head Office ¹	2,744	(2,750)
	Branches	1,819	(1,827)
	Local offices ¹	49	(52)
	Overseas representative offices	24	(24)

Note: 1. Full-time employees of the Computer Center and the Banknote Operations Center are included in the number of full-time employees at the Head Office.

IV. ORGANIZATIONAL MANAGEMENT MEASURES

With a view to addressing the strategic objectives for its business operations stated in the 2014–18 Strategic Priorities, the Bank implemented organizational management measures for the appropriate conduct of business operations given changes in its environment, and also for the appropriate management of operational risks.

As for other organizational management measures, the Bank worked to strengthen business continuity arrangements as follows.

- (1) Based on its experience following the Great East Japan Earthquake, the Kumamoto Earthquake, and a succession of other natural disasters, in addition to the government's reappraisal of potential damage scenarios for large-scale earthquakes directly under Tokyo or in the Nankai Trough, the Bank steadily implemented measures toward enhancing the disaster countermeasures in place at its Head Office and branches.
- (2) The Bank further strengthened cooperation with relevant parties such as national and local governments as well as financial institutions through, for example, participating in the Central Disaster Management Council and various exercises.

In addition, the Bank indicated in the 2014–18 Strategic Priorities that it would secure and foster human resources in the execution of business operations and organizational management, expand its recruitment of women and encourage their promotion, and seek to offer various working arrangements to improve the work-life balance of its employees. The Bank made progress in addressing these measures as follows.

- (1) The Bank enhanced various staff education and training programs and continued to work to promote personnel exchanges with institutions inside and outside Japan.
- (2) The Bank, under an action plan compiled and released in March 2016 pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace, undertook initiatives to ensure that its female employees could fully realize their potential at work, and strived to cultivate a workplace environment conducive to the well-being of all of its employees. In addition, the Bank continued to work to further improve terms of employment and working conditions based on the fourth phase of the action plans set out in "Measures to Support Raising Next-Generation Children," so that its employees can balance work and childrearing. Having taken these

initiatives, in August 2018, the Bank was awarded the most prestigious *Platinum Kurumin* certification from the Minister of Health, Labour and Welfare in recognition of the excellence of its performance in providing childrearing support to its employees.

(3) With regard to staff recruitment for fiscal 2019, the Bank proactively recruited women, with the aim that they should account for about 30 percent of future candidates for positions of Director, Chief Manager, and above.² The proportion of women in these positions in 2018 reached the goal of 5 percent set forth in the action plan compiled and released pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace.

(4) With a view to making the most of the skills and know-how of experienced workers and ensuring the stable conduct of its business operations, the Bank continued to seek to embed firmly within the workplace culture the "expert staff system," a reemployment system that the Bank introduced in fiscal 2015.

Following an incident of theft by an employee of commemorative coins held at the Bank's Head Office, which occurred in fiscal 2017, the Bank made efforts in educating and training its employees so as to ensure complete integrity in the execution of their duties.

V. INTERNAL AUDITS

The Internal Auditors' Office at the Bank conducts internal audits of the Bank's business operations at its Head Office, branches, local offices, and overseas representative offices in order to examine the appropriateness of its business operations and the adequacy of its operational risk management as well as the fairness with which its business operations are executed. The results of audits are reported to the Policy Board.

In fiscal 2018, the Internal Auditors' Office audited 5 departments at the Bank's Head Office (the Payment

and Settlement Systems Department, the Financial Markets Department, the Research and Statistics Department, the Currency Issue Department, and the Personnel and Corporate Affairs Department), 2 overseas representative offices (Hong Kong and Beijing), 14 branches (Kushiro, Hakodate, Kanazawa, Kofu, Matsumoto, Shizuoka, Nagoya, Matsue, Matsuyama, Kochi, Kitakyushu, Fukuoka, Kagoshima, and Naha), and 7 local offices (Obihiro, Toyama, Fukui, Nagano, Tottori, Saga, and Miyazaki).

² Employees in the positions of Director, Chief Manager, and above oversee the execution of business operations assigned to them, and are responsible for organizational management within their sections.