

The Bank's Organizational Management in Fiscal 2019

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I. STATEMENT OF ACCOUNTS AND BUDGET FOR EXPENSES

As for the Bank of Japan's expenses for fiscal 2019, the Bank duly made, in line with the budget, the disbursements necessary to cover the *Medium-Term Strategic Plan (Fiscal 2019–2023) (Plan)*. With regard to the Bank's statement of accounts for fiscal 2019, the total amount of actual expenses increased from

the previous fiscal year by 3.8 percent (7.4 billion yen) to 199.9 billion yen. Regarding the Bank's budget for expenses for fiscal 2020, 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 Plan, while working to raise the efficiency and streamline the development of such projects. The scale

of system development for fiscal 2019 was 13,679 person-months⁷ (including 10,585 person-months that were outsourced).

III. HUMAN RESOURCES

The Bank maintained the number of employees necessary to achieve the goals set out in the Plan without breaking the ceiling on the number of full-time employees for fiscal 2019, 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 4,626 at the end of March 2020, down 10 from the previous fiscal year (Table 1).

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

bonuses—in fiscal 2019 by 0.4 percent from the previous fiscal year.

As for its employees, the Bank raised the annual remuneration for fiscal 2019 by 0.9 percent from the previous fiscal year. For those in non-managerial positions, the Bank raised the base levels of salaries by 0.2 percent from the previous fiscal year and paid semiannual bonuses in May and November, each amounting to 2.189 months of salary, on a basis excluding the base salary increase. For those in managerial positions, the Bank paid 2.327 months of salary per semiannual bonus.

7. 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 2020

number of people; figures in parentheses are as of the end of March 2019

Total		4,626	(4,636)
Head Office ¹		2,738	(2,744)
Branches		1,817	(1,819)
Local offices ¹		47	(49)
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 Plan, the Bank implemented various organizational management measures in order to execute its business operations flexibly and secure the requisite staff for this purpose, to manage its operational risks appropriately, and to strengthen its business continuity arrangements.

Specifically, the Bank stepped up its efforts to take advantage of IT advances such as by introducing tablet devices and expanding the usage of its videoconferencing system. Moreover, the Bank worked to secure the requisite staff for executing its business operations and organizational management, to further promote diversity in the workplace, and to steadily realize varied and flexible working arrangements aimed at further improving the work-life balance and well-being of its employees via the following.

- (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 child-rearing.

- (3) With regard to staff recruitment for fiscal 2020, 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

In addition to the above, the Bank took business continuity-related actions in response to the novel coronavirus (COVID-19) (see "The Bank's Review of Fiscal 2019" on pages 29–55 for details). Meanwhile, in fiscal 2019, the Bank implemented measures to

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.

strengthen business continuity arrangements that included the steady enhancement of the disaster countermeasures in place at its Head Office and branches based on the Bank's experience following the Great East Japan Earthquake, the Kumamoto

Earthquake, and large-scale storm and flood damage, as well as the government's reappraisal of potential damage scenarios for large-scale earthquakes directly hitting Tokyo or occurring in the Nankai Trough area.

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 2019, the Internal Auditors' Office audited 4 departments at the Bank's Head Office (the

Secretariat of the Policy Board, the Financial System and Bank Examination Department, the Public Relations Department, and the Administration Department), 2 overseas representative offices (New York and Washington, D.C.), 12 branches (Sendai, Fukushima, Maebashi, Yokohama, Kyoto, Hiroshima, Shimonoseki, Takamatsu, Matsuyama, Oita, Nagasaki, and Kumamoto), and 4 local offices (Mito, Morioka, Yamagata, and Tokushima).