



The Bank at a Glance

What the Bank Does

The Bank of Canada's primary responsibilities, as set out in the Bank of Canada Act, can be grouped into four broad areas.

Monetary policy

The Bank's most important responsibility is monetary policy. Monetary policy is concerned with managing the rate of monetary expansion in a way that is consistent with preserving the value of money.

Central banking services

The Bank carries out a variety of activities that support and oversee Canada's principal systems for clearing and settling payments and other financial transactions. The Bank also provides a number of central banking services to the federal government, financial institutions, and the general public.

Bank notes

The Bank is responsible for issuing bank notes in Canada—undoubtedly our best-known product. This involves note design (including anti-counterfeiting features) as well as the printing and distribution of bank notes and their eventual replacement.

Debt-management services

As fiscal agent, the Bank advises the government on matters relating to the public debt and is responsible for issuing debt, maintaining bondholder records, and making payments on behalf of the government for interest and debt redemption.

International activities

Bank staff are also active on the international front. These activities help us to meet our domestic responsibilities more effectively and to bring a Canadian perspective to international economic and financial discussions.

The Bank participates in regular meetings and conferences of major international organizations, where the emphasis is on sharing and gathering information to assist in domestic policy deliberations. The Bank also provides technical assistance to developing countries and helps strengthen international financial markets through the development and implementation of sound supervisory and regulatory practices.

In 1996 Bank staff contributed to several important studies on international financial matters. These included studies on sovereign liquidity crises, the design of a new International Monetary Fund borrowing arrangement, and electronic money (see page 29).

How the Bank Works

The Bank's responsibilities are carried out by a highly professional staff of about 1,600. Staff are organized into eleven departments—six directly involved in the Bank's four main areas of activity, four corporate service departments, and an internal audit department. During 1996 the corporate service departments were restructured as part of the Bank's overall initiative to increase efficiency, to become a more open institution, and to further the delegation of responsibilities.

Department chiefs are responsible for operations and service delivery in their own areas; each chief reports to one of the Bank's four deputy governors or to the Senior Deputy Governor.

The Governing Council, which consists of the Governor, Senior Deputy Governor, and the four deputy governors, takes collective responsibility for the Bank's affairs. These responsibilities include dealing with broad organizational and strategic issues, as well as the formulation and implementation of monetary policy.

The Governing Council and department chiefs meet as a group to prepare the Bank's medium-term plan and annual budget for approval by the Board of Directors.



PHOTO: ANDREW BALFOUR

Members of the Governing Council, L-R, front: Gordon Thiessen, Sheryl Kennedy; second row: Bernard Bonin, Tim Noël, Paul Jenkins, Charles Freedman

ORGANIZATION CHART

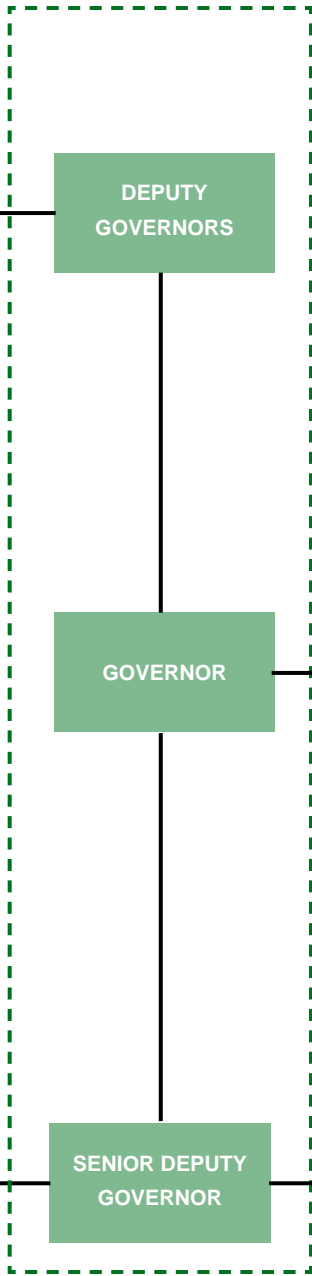
POLICY AND OPERATIONAL DEPARTMENTS

- RESEARCH
- INTERNATIONAL
- MONETARY AND FINANCIAL ANALYSIS
- FINANCIAL MARKETS
- BANKING OPERATIONS
- PUBLIC DEBT

SERVICE DEPARTMENTS

- COMMUNICATIONS
- INFRASTRUCTURE SERVICES
- MANAGEMENT SERVICES
- EXECUTIVE AND LEGAL SERVICES
- AUDIT

GOVERNING COUNCIL



The Board of Directors

The Bank is under the management of a Board of Directors.

The Board is composed of 12 directors from outside the Bank plus the Governor and the Senior Deputy Governor. The Deputy Minister of Finance sits on the Board as a non-voting member.

The directors' diverse backgrounds contribute to the effective operation of the Board. In addition, directors come from across Canada, thereby providing an important link between the Bank and all regions of the country. Directors are appointed for three-year terms by the Minister of Finance (subject to approval by order-in-council) and may be reappointed at the end of their terms.

The Board is responsible for the internal management and administration of the Bank, including the broad corporate policies for human resources and financial affairs. The Board takes a general interest in all aspects of the Bank's operations and provides oversight and advice.

The Board appoints the Governor and Senior Deputy Governor (subject to approval by order-in-council) as well as the deputy governors, and reviews senior management succession planning. The Board helps to chart the strategic direction of the Bank and to set objectives and initiatives.



Winston Baker
St. John's, Newfoundland



Walter Dubowec, FCA
Winnipeg, Manitoba



Raymond Garneau
Westmount, Quebec



James S. Hinds, QC
Sudbury, Ontario



Aldéa Landry, QC
Moncton, New Brunswick



Harold H. MacKay, QC
Regina, Saskatchewan



Paul Massicotte *
St-Laurent, Quebec



Judith Maxwell *
Ottawa, Ontario
Lead Director



James S. Palmer, QC *
Calgary, Alberta



Joseph Segal
Vancouver,
British Columbia



Barbara Stevenson, QC *
Charlottetown,
Prince Edward Island



David A. Dodge **
Deputy Minister of Finance
(Ex officio)

* Member of the Executive and Corporate Governance Committees

** Member of the Executive Committee

One position was vacant on 31 December 1996.



Senior Deputy Governor Bernard Bonin and Director Raymond Garneau at a luncheon meeting with the Chicoutimi, Quebec, Chamber of Commerce

The Board of Directors meets at least seven times a year. One meeting is usually held outside Ottawa. Between Board meetings, the directors are involved in Bank operations through a series of committees.

The Executive Committee, composed of the Governor, Senior Deputy Governor, four directors, and the Deputy Minister of Finance, typically meets between Board meetings. In 1996 a Corporate Governance Committee was created to review the role of the Board, its committees, and the methods and processes by which the Board fulfils its duties and responsibilities. The chairperson of this committee is also the Lead Director of the Board. Other committees of the

Board, which meet according to the requirements of their subject areas, are the Planning and Budget Committee, the Audit Committee, the Human Resources and Compensation Committee, and the Premises Committee.