CENTRAL BANKING EVENTS

The independent world forum for
central bankers and financial supervisors
Training course/seminar series 2010

Central Bank Governance: the Role of the Board

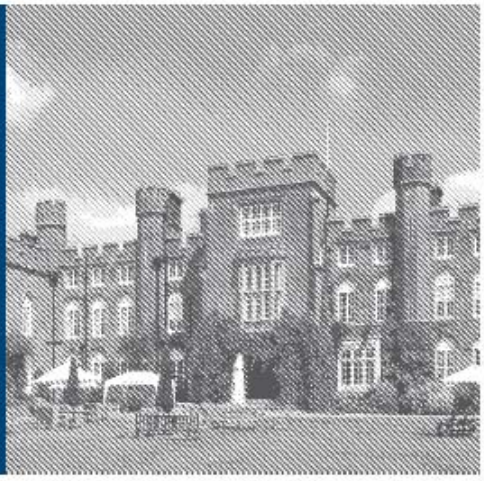
4-day intensive residential programme
18 - 22 April 2010

Cumberland Lodge, Windsor

Revised Programme

Course Chairman:
John Mendzela
Managing Director
Mendhurst Associates

Series adviser:
Charles Goodhart, CBE
Professor Emeritus
London School of Economics
Financial Markets Group



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Hosted by Central Banking Publications

Dear Delegate,

While the policy conclusions of the financial crisis will continue to be debated for some time, one lesson is already clear.

Boards and those who govern institutions must understand the business that they oversee and crucially the risks it faces.

This holds true for central banks which, in response to the crisis, have taken on new roles, new responsibilities and face new risks.

Furthermore as central banks find themselves under the glare of the public spotlight as perhaps never before, so their decisions and how they make those decisions will come under greater scrutiny.

Properly structured and briefed, a governing board will provide valuable support to the governor or president under any circumstances. More routinely, it will discharge its responsibilities in determining the organisation's strategies, oversight of risk management and the efficient use of resources and capital.

But central banks have become increasingly technical and specialised institutions. So to be effective boards must focus their efforts and ask the right questions.

The benefits are clear. When board members are fully equipped to support governors and presidents, and fully effective in their constructive scrutiny of management and strategy, the overall performance and standing of the institution is greatly enhanced.

This seminar is designed to equip members of governing and supervisory boards, including non-executive directors, to perform their oversight role as effectively as possible. It is designed for those who sit on, support or interact with governing boards - or may be called upon to do so in future.

Key sessions focus on:

- Impact of the crisis on central bank governance
- Central bank law and governance
- Managing the central bank balance sheet risk
- Financial system supervision - a challenge for governance
- Reviewing effectiveness and efficiency

Throughout the course, participants will work together to examine the key elements and responsibilities of directors, and consider how they can best perform their duties.

All discussions are held in roundtable format to encourage participants to share their experiences and debate the pressing issues in their field. Each session allows participants opportunities to quiz an expert panel of speakers and to benchmark themselves against best practice internationally.

This format, as more than 2,000 central bankers and regulators can attest, encourages delegates to quiz panellists, raise issues and discuss solutions to the specific challenges they face.

I look forward to welcoming you to Windsor on 18 April.

Yours sincerely,



Robert Pringle
Chairman, Central Banking Publications

> "I have attended many workshops for central bankers. Those organised by Central Banking Publications are by far the best" A central bank delegate

Monday 19 April 2010

Central Bank Governance in the Spotlight

Impact of the crisis on central bank governance
Speaker to be confirmed

Good institutional governance is critical to the future success and stability of central banks. This opening session sets the scene for those that follow by looking at the key implications for central bank governance from the financial crisis and the extraordinary policies some central banks have engaged in during the financial turmoil. For the board its oversight role has never been more important. Central banks' governance must be robust and ready for new challenges. How should central banks deal with gaining new responsibilities? How can they combat threats to independence? The speaker will look at the governance lessons central banks can draw and consider the future roles of central bank boards.

New dynamics in the relationship with government
Michael Foot, Chairman of the UK office, Promontory Financial Group and Former Executive Director, Bank of England

As the shareholder, it is the government to whom central banks are ultimately accountable. However, institutional independence, which is largely credited for lowering inflation over the last two decades, has fundamentally altered the relationship between central bank and owner. The financial crisis showed how essential it is to maintain a productive and constructive relationship with all of a central bank's stakeholders. In that context, this session will also consider the multiple stakeholder roles that government plays through various agencies, and the challenges of managing those multiple relationships.

Improving institutional governance
John Mendzela, Managing Director, Mendhurst Associates

Until recently, thinking about central bank governance has focused on policy decision-making. Institutional governance has too often been an after thought. Indeed the governance arrangements of many central banks would fail to meet the requirements for listed corporate entities or regulated financial institutions within their own jurisdictions. If they are not to jeopardise their credibility, then central banks must visibly practise what they preach. In this session, the chairman will identify the models for institutional governance that central banks currently operate, and outline improvement paths under each model to implement robust governance principles.

Workshop: key issues for participants
Workshop led by John Mendzela

This session will examine how ideas discussed earlier in the day are affecting specific institutions. The chairman will encourage participants to talk about the steps they have taken to improve governance standards and practices, the obstacles they have encountered and the key objectives that they wish to achieve in the future. This discussion will enable later sessions to target the specific concerns of participants.

Tuesday 20 April 2010

Understanding the Business and its Risks

Central bank law and governance
Peter Nicholl, Member of the Governing Board and Former Governor of the Central Bank of Bosnia and Herzegovina

Do changes to central bank governance structures usually involve legislative reform? How binding is the central bank law for governance structures? The speaker will draw on his extensive experience with central banks from around the world and suggest how central banks can maximise the effectiveness of their governance within their current legislation. He will also address the key points to focus on when revising the central bank act. Additionally, the session will consider how central banks can defend the law against political pressure in the light of the fallout from the financial crisis.

The governance challenges from supervising today's financial system
Andrew Bailey, Executive Director, Banking Services and Chief Cashier, Bank of England

As the financial sector has changed rapidly in recent years so too has the central bank's relationship with it. Today, questions of systemic risk, too big to fail and state involvement in the banking sector are frequently debated in policy terms, but their governance implications also need specific attention. This session will focus on what the central bank's role in financial stability and supervision means for its governance arrangements. The speaker will talk about the challenges such as conflicting goals, information availability, Chinese walls, and technical demands central banks have to face. The speaker will draw on the Bank of England's experience to draw out lessons for the delegates.

Managing the central bank balance sheet risk
John Nugée, Director and Head of Official Institutions Group, State Street Global Advisors and Former Head of Reserve Management, Bank of England

Modern central banks are exposed to many of the same balance sheet risks that banks face. Indeed the current crisis has seen central banks take large assets on to their balance sheets, of a type that they would not have readily accepted two years ago. Some central banks have placed their balance sheets, their funding and their reputations on the line. Board members must understand the new risks they are being asked to take on and oversee how the risks are managed. This session examines balance-sheet risks and how the board should approach its role in overseeing financial risk management. The session will also consider the question of a central bank’s need for capital and what constitutes adequate capitalisation.

The importance of transparency
Lars Heikensten, Member of the European Court of Auditors and Former Governor, Sveriges Riksbank (invited)

The global financial turmoil has revealed that, for central banks, getting the message across is almost as important as the message itself. Central bank actions may not have the desired impact in reality if their purpose is not clearly signalled to markets and the public alike. Good communication must be clear, effective and honest, across a range of different stakeholders and audiences. This session will highlight the impact of good communication and explore best practice for delegates’ institutions.

Wednesday 21 April 2010

Governance in Action

Operation of the board: committees and procedures
John Jussup, General Counsel and Corporate Secretary, Bank of Canada

As for all large and complex organisations, for central banks effective and appropriate governance procedures are an indispensable element of institutional efficiency and effectiveness. Unlike commercial-sector organisations however, central banks lack a ready-made template for governance. This session examines how a leading central bank has structured its governance. It will look in particular at the role of an audit committee, how the Board monitors the performance of the Governor, the roles and remits of other key committees (including those responsible for remuneration and succession planning) and the preparation and approval of communications and reports.

Developing good governance
Speaker to be confirmed

This session looks presents a case-study of governance reform in a central bank that has overhauled its structure and processes, including its system for assessing internal performance. The speaker, from the Bank of Ghana, which undertook a review of its governance arrangements in 2009, will explain the motivation for the review and discuss the methods used. Discussion will draw out the lessons for other central bank boards that can be learned from the processes and the conclusions of the review.

Channeling institutional reform
Tomislav Presecan, Vice Governor, Croatian National Bank

This session will draw on the speaker's eight years of central banking experience to discuss the lessons learned from institutional reform in testing environments. The journey to a fully fledged central bank, the transition between two economic systems and preparations for further institutional change as part of a wider system of central banks in the euro area has meant difficult decisions and choices had to be made. Central banks may sometimes view their institutions as unique, meriting exceptional treatment. But, when it comes to reform and modernisation, the speaker will show many of the key success factors are common to all public sector institutions. Discussion will examine those key success factors and how to adapt them to other central banks' situations.

About the course chairman

John Mendzela uniquely combines deep specialism in central banking with wide commercial skills and experience. John has more than 20 years of experience in central bank governance and management, working with central banks as an internal change leader, independent external adviser and official sector representative. His expertise draws on work with a diverse range of central banks, and applies a global and multicultural strategic vision and a diverse technical background. John's broader experience includes company chairmanship and directorship and professional consulting worldwide in business, governance and management.



Thursday 22 April 2010

Institutional Oversight and Action Planning

Reviewing effectiveness and efficiency
Claudia Bock-Valotta, Head of Division Budgets and Projects, Directorate-General Human Resources, Budget and Organisation, European Central Bank

Granted a national monopoly, central banks must be able to demonstrate not only the required results but also prudent stewardship of the resources entrusted to them. This is no more so than at a time of heightened interest in central banks and pressure on public finances. Lawmakers, the media and the public are understandably keen to know that their central bank is operating efficiently. This session explores some of the ways in which the European Central Bank has tackled this issue, and examines how central banks can best collect, analyse and apply information about their performance.

Participant action plans
Workshop led by John Mendzela

Central banks worldwide have much to learn from one another. This final discussion session will emphasise confidential peer interaction and maximise the practical benefit of the week's key themes and issues. The chairman will ask participants to identify and discuss how the experiences and ideas from earlier sessions could be specifically applied to their own institution's challenges and priorities.

“Standing ovation for the idea of the conference, its venue and organisation.”

A central bank delegate

CBP training course/seminar series, spring 2010:

- Strategic Planning and Change Management for Central Banks
- New Developments in Banknote and Currency Management
- Financial Stability: Designing and Implementing Macroprudential Policy
- Current Challenges and the Future of Central Bank Statistics
- Effective Internal Audit for Central Banks
- How to Implement a Risk-Based Framework to AML and CFT

For detailed programmes and a fax-back registration form for each of these key courses, please visit: www.centralbanking.com/events



“This was the best motivation and incentive my employer could have given me this year.” Myriam Penninckx, Commission Bancaire, Financière et des Assurances (CBFA, Belgium)

Booking details

Course fee: £3,000
(VAT at 0% for delegates employed by government in furtherance of its sovereign activities)

5-day (4 nights) residential course

Course fee includes: en-suite accommodation, meals, refreshments, course documentation and a complimentary copy of the most recent issue of the Central Banking journal. Substitute delegates can be accepted should the registered delegate be unable to attend; please let us know prior to the event.

How to book

Please complete and return the registration form overleaf to:

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telephone: +44 (0) 870 240 8859

fax: +44 (0) 207 504 3730

email: conference@centralbanking.com

website: www.centralbanking.com/events



The venue

Cumberland Lodge is one of the Royal Houses in The Great Park at Windsor and was formerly used by members of the Royal family and their households. Occupying a superb position, it provides a unique setting for conferences where participants find they can work easily in tranquil and gracious surroundings. Most bedrooms are spacious and each has its own en-suite bathroom.

About Central Banking Publications

Central Banking Publications' events division is the leading independent organiser of public policy seminars/training courses for the official sector. Since 1997, CBP has hosted roundtable seminars and training courses for over 2,000 senior policymakers from central banks, ministries of finance and financial regulatory agencies around the world. Senior officials from more than 120 countries have attended these meetings over the past ten years.

Registration for Central Bank Governance: the Role of the Board

CENTRAL BANKING EVENTS

1. Delegate details: PLEASE WRITE IN CAPITALS

Mr/Mrs/Ms: Surname/Family name:

First name:

Job title:

Organisation:

Address:

Postcode:

Telephone:

Facsimile:

Email 1:

Email 2:

Please provide us with the direct email address of the delegate and an additional email address if possible. This is very important because all correspondence with delegates is by email.

Course fee: £3,000 (VAT at 0% for delegates employed by government in furtherance of its sovereign activities)

2. Payment details:

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Please pay the course fee net of all bank charges and send us the copy of the transfer details

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I have read and agree to the terms and conditions below. Signature: Date:

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