

STRATEGIC PLANNING AND ITS RELATION TO INTEGRAL RISK MANAGEMENT IN THE CENTRAL BANK OF CHILE

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In 1992, the “Central Bank of Chile Modernisation Project” began and since then considerable changes have been achieved in the Bank’s functions, organisational structure, staff numbers, professionalisation and training of human resources, new technology, outsourcing, accounting and budgetary management, among others.

The dynamics of a modern society such as Chile require the Bank to make a constant effort to update management techniques thereby increasing the efficiency of resource use, reducing and managing financial and operational risk and keeping the Bank up to international standards of transparency and reliability. Important decisions have therefore recently been taken towards furthering the modernisation of the Bank’s management, issuing clearer directives for this new stage and announcing complementary measures to consolidate the reform process.

This paper presents the management model adopted and how it is integrated with the processes of strategic planning, risk management, budgeting, management monitoring and performance. By way of example, it describes the application of the new model to the Bank’s Accounting Management unit.

It also highlights the importance being given to Integral Risk Management and presents a summary of the project that the Central Bank of Chile will put into practice in the coming months.

Finally, it describes the benefits to the Bank of implementing this integrated management model.