

STRATEGY FOR NORGES BANK'S SUPERVISORY COUNCIL 2016-2018

Adopted by the Council 18 February 2016

- **ROLE AND RESPONSIBILITIES**

The Supervisory Council's role and responsibilities are set out in the Norges Bank Act and elaborated on in its rules of procedure. The Office of the Supervisory Council is regulated by the rules, job description for the director, decisions and plans adopted by the Supervisory Council. The strategy highlights the main goals and priorities for the Supervisory Council and the Office of the Supervisory Council in the period 2016-2018.

- **GOALS**

The Council is to ensure democratic insight into, and independent control of, Norges Bank's operations. There is to be a broad consensus in the Storting that the Council conducts effective and efficient supervision of Norges Bank in line with the Norges Bank Act and the Storting's expectations. The Council is to help ensure public confidence in the Bank's discharge of its central banking duties and management of the Government Pension Fund Global. Its supervision is to contribute to the development of management and control at Norges Bank.

During the strategy period, the Council will give particular priority to

- clarifying its independence and integrity
- further developing focused and efficient supervision
- transparency and clarity in communications
- contributing to the development of the framework for Norges Bank

The Office of the Supervisory Council is to contribute proactively to the Council's work, goals and priorities through high professional and administrative standards.

- **ACTION PLANS**

On the basis of these goals and priorities, the Council has identified a number of areas for special attention and further development.

Clarify independence and integrity

- Clarify independence and integrity in the framework for the Council and the Office.
- Emphasise the independent role of the Council and the Office in the report to the Storting.

Office of the Supervisory Council:

- Emphasise and further develop integrity and objectivity in working processes and reporting, including relations with the external auditor and external advisers.
- Stress the Office's administrative independence of Norges Bank.

Further develop focused and efficient supervision

- Further develop a common frame of reference and hold regular discussions of the Council's role and responsibilities. Increased emphasis on skills development.
- Further develop the dynamics between the Permanent Committee and the Supervisory Council, including communication of the Committee's deliberations.
- Further develop the long-term agenda, meeting structure and case structure. Prioritise and adjust matters based on risk, materiality and relevance to the Council's supervision. Assess the need to discuss some matters in camera.
- Further develop the dialogue with the central bank's management, the Executive Board and the Board's committees, including meetings between the Board and the chairman of the Council.
- Engage with the Office of the Auditor General of Norway and other control bodies in Norway and abroad to exchange experience.

Office of the Supervisory Council:

- Further develop the organisation to make good use of skills and ensure consistent quality in working processes and reporting. Regularly assess the need for skills development and recruitment.
- Ensure effective collaboration with, and management of, external partners in the supervisory process.
- Further develop supervision plans, methods and reporting tailored to the Council's supervisory role, risk assessments and priorities. Systematise and raise awareness of ongoing supervisory activities and further develop interfaces with the Bank.
- Continue to develop analyses and input for the Council's preparation and consideration of matters.
- Systematise the follow-up of supervision reports and the Council's decisions.

Transparency and clarity in communications

- Prioritise communication to increase awareness of the Council's role and work in the public space, partly through contact with the media and increased access to information about the Council.
- Continue to develop the Council's minutes and decisions.
- Emphasise transparency and clarity in the annual report to the Storting and in parliamentary hearings.
- Evaluate the principles for the publication of supervision plans and supervision reports.

Office of the Supervisory Council:

- Contribute to openness about, and awareness of, the role and work of the Council and the Office within the Bank.
- Attach importance to clarity in supervision plans and reports and a good dialogue with the Bank.

Contribute to the development of the framework for Norges Bank

- Maintain contact with the committee reviewing the Norges Bank Act and provide support and information about the role of the Council.

Office of the Supervisory Council:

- Continue the dialogue with the Ministry of Finance and the Office of the Auditor General of Norway on the management of the Government Pension Fund Global.