

Minutes

Meeting:	FCA Board	
Date of Meeting:	5 November 2015	
Venue:	25 The North Colonnade, Canary Wharf, London E14 5HS	
Present:	Andrew Bailey	Tracey McDermott
	Catherine Bradley	Jane Platt
	Amanda Davidson	Sir Brian Pomeroy
	John Griffith-Jones (Chair)	Christopher Woolard
	Mick McAteer	
In attendance:	Set out in Annex A	
Apologies:	Amelia Fletcher	

Quorum and Conflicts

The meeting noted there was a quorum present and proceeded to business.

1 Specific items of business

1.1 Confirmation of budget envelope

The Board noted the discussions during the strategy sessions and the initial proposals for the 2016/7 budget which would be discussed further in January 2016.

1.2 Sourcing Programme Request for Funding

The Board received the report and agreed the project operating costs of £2.7 million until January 2016.

1.3 CEO Report

The Board received the oral report from the CEO and noted that the FCA had been working with Treasury officials to discuss how to take forward the Government's commitment to cut costs to businesses.

The Board considered the other matters highlighted by the CEO, in particular:

- the timetable for the implementation of MiFiD II; and
- the number of new debt issues in the UK and the rest of the EU.

1.4 Annual Report on Consolidated Risk Manager (CRM)

The Board received the report, and noted and discussed the following key points:

- the risk register would be used by divisions so they record and monitor risks and adjust resources applied to mitigation as required - the organisation should have a single significant risk register;
- the comparison of the risks identified in 2014/15 with 2015/16 showed an increase in regulatory risks, with operational risks remaining constant. The Board noted that mitigating actions, particularly for operational risks, should become more effective over time so the net risk should decrease;
- some of the risks from the house views had been included in the CRM and the remainder would be added shortly, and as further House views were finalised;
- the bottom up (CRM) and top down (ExCo prioritisation) high impact and high probability risks were aligned;
- the quality assurance team in the risk division considered risks which were not included in the CRM and also reviewed risks that had been closed (closed risks remain on CRM). The team would also review the risks in the CRM to ensure they related to the statutory objectives;
- the Risk Division were keen to support discussions about the mitigation strategies for risks to identify those mitigation tools that worked well in order that this information could be shared across the organisation; and
- the Board encouraged use of the CRM and risk appetite as a management tool to complement the strategy and proposed that the risks in the CRM should be kept under review and, where possible, common root causes analysed and identified. Divisions should have consistent risk management practices.

The Board agreed that the ERSC and Audit Committee should receive quarterly risk reports and continue to highlight relevant issues to the Board for consideration and agreed the Board should review the CRM annually.

1.5 The FCA's approach to historic conduct

The Board received the report, and noted and discussed the different ways in which the FCA could respond to incidences of historic misconduct.

The Board noted some of the relevant factors which might be considered, including the extent of the misconduct, the time since the misconduct took place, the number of consumers affected and the extent of detriment. In all cases the statutory objectives would need to be balanced and efficient use of resources would need to be considered.

2 Decisions reserved to the Board

2.1 Rules & Guidance to be determined

The Board made the one instrument set out in Annex B.

2.2 Decisions of the Board

The Board approved:

- the re-appointment of Jim Kandunias as a member of the FCA Markets Practitioner Panel for three years from 1 December 2015 to 30 November 2018;

- the appointment of Nikhil Rathi as a member of the FCA Markets Practitioner Panel and FCA Practitioner Panel for three years from 9 November 2015 to 8 November 2018; and
- the appointment of Jayne-Anne Gadhia CBE as a member of the FCA Practitioner Panel for three years from 1 December 2015 to 30 November 2018.

3 Papers for noting

3.1 Forward agenda

The Board noted the forward agenda.

4 HBOS Review Update

Mr Griffith-Jones and Ms McDermott left the meeting having previously declared potential conflicts in this matter.

The Board received an update from Mr Pomeroy and noted the timetable and the most recent view of the independent reviewers of the report.

The Board considered the process for the development of the report and the checks carried out on the facts included within it. The Board agreed that there had been a satisfactory process and that the report was publishable. The Board authorised the Joint Steering Committee to make such final minor amendments to the wording as they considered necessary for the purposes of publication.

The Board noted the implications of delaying the enforcement action decision until after publication. Having considered advice from Counsel they believed it appropriate to publish as soon as practicable, noting that the Executive would then respond to the recommendations in Part 5.

The Board considered the arrangements for naming staff within the report and agreed the report should only name Directors and above.

The Board noted the timing of planned internal and external communications and recorded its thanks to the members of the steering group.

5 Any other business

There was none

Claire Strong
Deputy Company Secretary

ANNEX A: Attendees

Sean Martin	General Counsel
Simon Pearce	Company Secretary
Georgina Philippou	Chief Operating Officer
Megan Butler	Director, Supervision - Investment, Wholesale and Specialists
Claire Strong	Deputy Company Secretary
Mark Steward	Director, Enforcement and Market Oversight
Greg Choyce	Head of Department, General Counsel Division (for item 4.0)
Barbara Frohn	Director, Risk and Compliance Oversight (for item 1.4)
Nick Holloway	Manager, GCD Investment, Insurance and Redress (for item 1.5)
Richard Monks	Manager, Prudential Protection Governance & Investments (for item 1.3)
Edward Oxley	Manager, Mortgages (for item 1.5)
Azhar Rizvi	Manager, Risk Specialists (for item 1.4)
Andrew Whyte	Director, Communications (for item 4.0)

Relevant Associates and Technical Specialists also attended the meeting.

ANNEX B: Resolution

The Board of the Financial Conduct Authority resolves to make the following instrument:

Disclosure and Transparency Rules Sourcebook (Transparency Directive Amending Directive) Instrument 2015 (FCA 2015/54)