

## Minutes

**Meeting:** FCA Board

**Date of Meeting:** 23 May 2024

**Start time:** 09:00

**Venue:** Meeting held in Boardroom and via Microsoft Teams

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**Members Present:** Ashley Alder (Chair)      Liam Coleman  
Aidene Walsh      Nikhil Rathi  
Alice Maynard      Richard Lloyd  
Bernadette Conroy      Sam Woods  
Bryan Zhang      Sophie Hutcherson

**In attendance:** Set out in Annex A

**Presenters:** Set out in Annex A

**Apologies:** None

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### 1 Declarations of interest

- 1.1 The meeting noted there was a quorum present and proceeded to business.
  - 1.2 No interests were declared in the items to be discussed.
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## **2 Recent commentary on FCA, including SICGO – a) Discussion – SICGO, industry and other viewpoints; b) Enforcement Consultation update**

- 2.1 The Board **discussed** recent media and other commentary on various aspects of FCA work, including exchanges with industry, consumer representatives, government, and the Houses of Parliament much of which had focussed on the secondary international competitiveness and growth objective (SICGO) and the FCA's consultation on the tests relevant to naming firms which are the subject of investigations.
- 2.2 The Board **noted** that a large volume of consultation responses in favour of and against the consultation proposals were being assessed carefully. The organisation will continue active stakeholder engagement, to ensure that different viewpoints can be aired fully before moving forward to agree next steps in the context of wider changes relevant to the efficiency and effectiveness of the broader enforcement process.

## **3 Reports from the Chairs of Board Committees**

- 3.1 The Board **noted** the report from the Chair of the Policy and Rules Committee regarding the meeting held on 9 May 2024. The Committee had:
- i. received a discussion paper on the emerging final position on Listing Rule Reforms, which overall it supported. It had discussed feedback from sponsors, the wider landscape including investors' and companies' ability to exercise effective stewardship, and FCA supervisory responses and intervention measures. It was noted final proposals would come to the Board at a later date.
  - ii. reviewed the Private Intermittent Securities and Capital Exchange System (PISCES) proposals particularly considering levels of risk for different types of investors and in that context, the applicability of the market abuse regime.
  - iii. received an early checkpoint on a Cryptoassets Policy Forward Plan.
- 3.2 The Board **noted** the verbal report from the Chair of the Audit Committee regarding the meeting held on 16 May and the joint meeting of Audit Committee and Risk Committee held on the same day. The Committee had:

- i. heard that the NAO were on track with the 2023/24 audit, but the chair noted that since the Audit Committee meeting, a general election had been called and it could have an impact on timing.
  - ii. considered an Internal Audit update and noted that the extended contract with the specialist internal audit provider was coming to an end. There was a desire to ensure that there were no delays in procurement to ensure a consistent level of service.
  - iii. considered a refreshed Internal Audit Charter and agreed that there was a need to make clear, the wholly internal nature of the Internal Audit function, which gives independent assurance to the FCA and PSR Boards and Audit Committee.
  - iv. considered the FCA pension continuity strategy document, agreeing to recommend its approval to the Board.
  - v. considered the final accounting judgements, estimates and disclosures, agreeing minor changes and to recommend these to the Board for approval.
  - vi. received the PSR Risk and Controls Statement of Assurance 2024, noting the Committee had no substantive concerns to report.
- 3.3 The Audit Committee had met jointly with the Risk Committee to consider the assessment of internal controls and the related proposed statement for the Annual Report. There was clear evidence of improvement in the assessment, and the statement will reflect this.
- 3.4 The Board **noted** the verbal report from the Chair of the Risk Committee regarding the meeting held on 16 May. The Committee had:
- i. received an internal records management plan in response to an identified heightened risk in this area, noting assurance given by actions being put in place to drive improvements.
  - ii. received reports on sequencing of procurement activity and assurance around potential concentration risks and the need to seek timely extensions to contracts.

## **4 Independent Panels Monthly Reports**

- 4.1 The Board **noted** the reports from the Independent Panels.
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## **5 Report from the PRA**

- 5.1 Mr Woods briefed the Board on the business of the PRA that was of relevance to the FCA, and in particular on the work in train to finalise the implementation of the Basel 3.1 set of banking rules in the UK in the near future.

## **6 Report from the PSR**

- 6.1 Ms Walsh briefed the Board on the business of the PSR that was of relevance to the FCA:
- i. App Reimbursement policy.
  - ii. New payment architecture - the PSR and the Bank had recently jointly attended the Pay.UK Board to discuss anticipated progress over the coming months.
  - iii. Cards - the PSR had published an interim report for card scheme and processing fees.
  - iv. Cross border interchange fees.
  - v. PSR panel chair appointment – approved by PSR Board and awaiting Treasury for approval.
  - vi. PSR NED recruitment was underway.
  - vii. The National Payment Vision.

## **7 Report from the Chief Executive**

- 7.1 Mr Rathi briefed the Board on a number of topical issues, including:
- i. The FSCS had published the FSCS levy for the 2024/25 financial year stating that it will be £265m, a significant reduction from the £415m forecast in November 2023, and a £5m reduction from the levy paid in the previous year.

- ii. Observations around the infected blood inquiry, including the debate in that case around transparency and proposed duty of candour of public authorities, noting that the Board may wish to reflect and discuss.
- iii. An update on various rule changes that could be impacted by the pre-election period of sensitivity, with updates to be circulated to members as the position becomes clearer.
- iv. A letter received from the Secretary of State for Business & Trade in relation to the adoption of International Sustainability Standards Board Standards for listed companies.
- v. Data considerations around the private equity market.
- vi. Confirmation that efficiency savings referred to in the financial performance report would be discussed at a more granular level at Performance Committee.
- vii. The Fair Value work and the development of internal governance that will ensure appropriate senior oversight.

## **8 Finance Report**

### **a) Digital Services Procurement Framework – Recommended action for existing Cloud Resourcing Framework Contracts**

- 8.1 The Board sought and received assurance on the proposed modification of an existing call-off contract.

## **9 Final accounting judgements, estimates and disclosures**

- 9.1 The Board **approved**:
  - i. The Going Concern Paper and related disclosures to be included in the Directors' Report.
  - ii. Renewal of a £100m unsecured overdraft facility with Lloyds Banking Group from 1 July 2024 to 30 June 2025.
- 9.2 The Board **noted** the final accounting judgements, estimates and disclosures relating to:

- i. Impairment of leasehold improvements of £4.3m relating to the subleased floors at 12ES at 31 March 2024, as provided in the management accounts.
- ii. Intangible assets work in progress review.
- iii. The Pension Plan IAS 19 assumptions and disclosures as advised by Willis Towers Watson.
- iv. Provisions and contingent liabilities.
- v. Group Operational Overview – Accumulated Reserves
- vi. The HM Treasury Accounts Direction in relation to Losses and Special Payments & Exit Packages.

9.3 Additionally, the Board **noted**:

- i. The impact of IAS 38 on amortisation and operating expenses in future years.
- ii. The Annual Report and Accounts timetable and status of the NAO's audit, noting that since the paper had been submitted a general election had been called and any impact on the audit timetable had not yet been established.
- iii. The summary of allowances and expenses of the Chair, Non-Executive and Executive Directors.
- iv. Draft PSR Financial Overview and Financial Statements.
- v. The Audit Committee section of the Corporate Governance Statement disclosures.

## **10 Rules, Guidance and Technical Standards to be determined**

10.1 The Board resolved to make the following instrument:

- i. Training and Competence Sourcebook (Amendment) Instrument 2024.

## 11 Decisions of the Board

### Minutes of previous meeting

- 11.1 Subject to minor amendments, the Board **approved** the minutes of the meeting held on 25 April 2024.

### Action Log

- 11.2 The Board noted the action log and **approved** the closure of completed actions.

### Independent Panel Appointments

- 11.3 The Board **approved** the appointments of:
- i. Alasdair Haynes as a member of the FCA Markets Practitioner Panel (MPP) from 1 June 2024 to 31 March 2027
  - ii. Giles Reaney as a member of the FCA Listing Authority Advisory Panel (LAAP) from 1 June 2024 to 31 May 2027
  - iii. Bailey Kursar as a member of the Financial Services Consumer Panel (FSCP) from 1 June 2024 to 31 May 2027
  - iv. Chris Warner as a member of the Financial Services Consumer Panel (FSCP) from 1 June 2024 to 31 May 2027

### Modern slavery and human trafficking statement for the year ended 31 March 2024

- 11.4 The Board considered the Modern slavery and human trafficking statement for the year ended 31 March 2024 and in doing so considered the position of current and potential suppliers. The Board requested assurance that due diligence checks are made against current and potential suppliers on their Modern Slavery compliance.
- 11.5 The Board **approved** the Modern Slavery and Human Trafficking Statement for the financial year ending 31 March 2024, for publication.

FCA Pension – Continuity Strategy document

- 11.6 The Board **approved** the Continuity Strategy document and delegated authority to the AuditCo Chair to agree any final changes with the Trustee and to be able to sign the document on behalf of the Board.

AuditCo membership

- 11.7 The Board **approved** the appointment of Edward Knapp to the Audit Committee with immediate effect, replacing Simon Ricketts who will step down.

Independent Cost Benefit Analysis Panel Member Appointment

- 11.8 The Board **approved** the appointment of Peter Andrews as a member of the FCA Cost Benefit Analysis Panel from 27 May 2024 – 26 May 2027

There being no further business the meeting closed.



**Annex A: Attendees, presenters and observers**

**In attendance:**

Emily Shepperd – Executive Director, Chief Operating Officer  
 Sarah Pritchard – Executive Director, Markets  
 Sheldon Mills – Executive Director, Consumers and Competition  
 Sheree Howard – Executive Director, Authorisations  
 Stephen Braviner Roman – Executive Director, Corporate Governance, Legal and Risk & Compliance Oversight  
 Therese Chambers – Executive Director, Enforcement and Market Oversight  
 William Hague – Director, Company Secretary  
 Graeme McLean – Head of Department, Chief Executive Office

**Presenters and observers:**

<b>Item 1 - Declarations of interest</b>	No attendees
<b>Item 2 - Recent commentary on FCA, including SICGO.</b>  <b>a) Discussion - SICGO, industry and other viewpoints</b> <b>b) Enforcement Consultation – update</b>	a) & b): Siobhan Sheridan - Director Helen Bower-Easton - Director Nisha Arora - Director  b) only: Anne Cosserat – Head of Department Rachel Bardiger - Manager
<b>Item 3 – Reports from Chairs of Board Committees</b>	No attendees
<b>Item 4 - Independent Panels Monthly Reports</b>	No attendees
<b>Item 5 - Report from the PRA</b>	No attendees
<b>Item 6 – Report from the PSR</b>	No attendees
<b>Item 7 - Report from the Chief Executive</b>	No attendees
<b>Item 8 - Finance Report</b>  <b>a) Digital Services Procurement Framework – Recommended action for existing Cloud Resourcing Framework Contracts</b>	Craig Chapman – Finance Director

<b>Item 9 - Final accounting judgements, estimates and disclosures</b>	Joe Genova – Head of Department
<b>Item 10 - Rules, Guidance and Technical Standards to be determined</b>	No attendees
<b>Item 11 - Decisions of the Board</b>	No attendees

Other relevant associates were also in attendance.