

Mr Clive Adamson  
Director of Supervision  
Financial Conduct Authority  
25 The North Colonnade  
London E14 5HS

April 2014

Dear Clive,

**FCA policy on attestations**

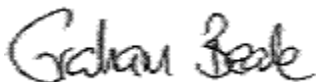
I wanted to write to follow up the discussion on attestations that we had at the Practitioner Panel meeting on 4 March.

As you know, although we understand the underlying reasons for the FCA using this supervisory tool, we were concerned at their increasing use, and had misgivings about the reliance on senior managers attesting that they will take action, as well as the governance and monitoring arrangements around this. Our report to the Board last month highlighted that we believed the tool was in danger of skewing prioritisation of risk at firms, and was leading to much more discussion about terms of the attestation (including requiring legal support) than any party felt was helpful. We encouraged you to be more transparent about the criteria for the use of attestations and to monitor these as you do with other tools, such as skilled person reports.

We took from your comments at our meeting and the feedback I have received from the Board discussion that you understood our concern and plan to review the system.

I would be grateful for more details on how the FCA will clarify the broad principles under which attestation powers operate. A clear statement, like that provided to the Panel at our March meeting, on the ways in which attestations are used, would be a welcome announcement for regulated firms.

Yours sincerely,



Graham Beale  
Chairman, FCA Practitioner Panel