

## MEETING OF THE COURT OF DIRECTORS

**Tuesday, 4 March 2014**

Present:

Sir David Lees, Chairman  
The Governor  
Mr Bailey, Deputy Governor – Prudential Regulation  
Mr Bean, Deputy Governor – Monetary Policy  
Sir Jon Cunliffe, Deputy Governor – Financial Stability  
Mr Cohrs  
Mr Fried  
Mr Frost  
Mr Prentis  
Lady Rice  
Mr Stewart

In attendance:

Ms Hogg, Chief Operating Officer

Apologies:

Sir Roger Carr

Secretary:

Mr Footman

### 1. **Minutes**

The minutes of the meeting on 13 February were approved.

### 2. **Matters Arising**

A proposal to wind-up the Financial System Advisory Committee would be brought to Court in April.

### 3. **Chairman's business**

The Chairman updated Court on the process for appointing his successor, and also the next Deputy Governor for Monetary Policy.

#### *FX Investigation*

With reference to a minute of 13 February, the Governor updated Court on the Bank's internal review. This extensive review of documents, emails and other records had to date found no

evidence that Bank of England staff had colluded in any way in manipulating the foreign exchange market or in sharing confidential client information. However there was evidence that internal control processes had not always been followed. In this connection the Bank intended to suspend an individual pending a decision on disciplinary action.

The Bank would be publishing all of the records of the Chief Dealers' Subgroup (CDSG) of the Foreign Exchange Joint Standing Committee back to its creation in 2005.

The Chairman proposed that while the disciplinary investigation should remain a matter for the executive, Court should request the Oversight Committee to take responsibility for a continuing review by Travers Smith of the role of Bank officials. This was agreed. The Governor said that in the meantime the Bank would take immediate steps to reinforce its guidance to staff regarding the keeping and management of records and the escalation of important information.

#### **4. Strategic Plan**

(Mr Proudman in attendance)

Court welcomed and approved the amended strategy document. It was confirmed that with the benefits of the VFM exercise, and phasing of the investment spend, the programme was affordable within the Bank's existing budget envelope and would have no impact on the 2014/15 budget agreed in February.

#### **5. Strategic Plan Organisational Issues**

Court discussed the proposed scheme of reorganisation. It was noted that a number of appointments would need to be approved by Court, and proposals would be brought forward including any amendments to the proposed structure once the (Crown) appointment of the Deputy Governor for Monetary Policy had been made.

#### **6. PRA Strategy**

Court reviewed the PRA Board's proposed interim strategy for publication before the end of March, as required by FSMA. A fuller strategy would be set out in the Annual Report of the PRA and reflected in the Bank's Annual Report. Court endorsed the draft, but requested that it include a statement that the PRA would continue to operate within the budget set by Court.

## **7. CCBS Annual Report 2013**

The Report was noted.

**The meeting of Court was closed.**