



BANK OF ENGLAND

Summary of the review's recommendations and the Bank's response

In July 2016, the Court of Directors of the Bank accepted a number of recommendations from the review. The recommendations to Court fell under three broad themes.

Theme 1 related to the ambit of the Bank's discretion under the Sterling Monetary Framework (**SMF**). It was noted that the processes by which the Bank needed to take actions during the financial crisis were not considered – and therefore not provided for – in detail in the SMF documentation. As a result, the review recommended that clearer guidance should be provided to decision-makers as to the ambit of decision-making under the SMF terms and the discretion available to the Bank. This recommendation has been implemented.

Theme 2 related to record keeping practices. It was recognised that, in a crisis scenario, actions must be taken quickly, but it is also imperative that structured and well maintained records are in place to ensure there is a clear audit trail of key decisions. Accordingly, the review recommended that further training should be given to staff in key areas and that there should be a renewed focus on the importance of adherence to the Bank's record management policy at all levels of the Bank. This has been made clearer to staff in internal communications during 2016 and in 'Our Code' – the Bank's internal code of conduct for staff. The recommendations made under this theme have been implemented or are in the process of being implemented.

Theme 3 related to how the Bank stores material which it uses for investigations, including regulatory enforcement investigations. The review recommended that the Bank consider developing, or procuring, an evidence management system (i.e. specialist software which facilitates the processing, storing and review of electronic documentary evidence). Court accepted that developing, or procuring, an evidence management system would significantly increase the Regulatory Action Division's investigative efficiency.

The Bank's General Counsel updated the Court of Directors of the progress of implementation of these recommendations, most recently in May 2017.

23 June 2017