



Treasury Committee

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Mr Simon Osborne Esq.
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9 December 2015

Dear Mr Osborne,

RE: Standard of Board minutes

One of the lessons from the recent PRA/FCA review into the failure of HBOS was the importance of ensuring that accurate minutes are taken at important meetings, especially Board meetings.

The Treasury Committee's specialist advisers noted in their report to Parliament that in relation to HBOS, "*board and committee meeting minutes were frequently not sufficiently full to provide a definitive record of what happened, and in some cases are missing altogether*". The failure to ensure that these minutes were extensive and accurate has robbed the regulators and the public of an extremely useful source of information, particularly because it was the Board of HBOS that was responsible for setting its disastrous business strategy.

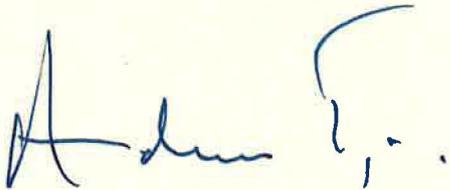
I am writing to seek your views on the following questions:

- Can the ICSA confirm who, in addition to the Chairman of the Board, it considers directly responsible for the maintenance and accuracy of Board meeting minutes?
- In its guidance on taking Board minutes, ICSA states that properly constructed minutes "reflect director dissent where appropriate". Could the ICSA provide some guidance on when it thinks it is appropriate to record director dissent?
- If, as Parliament's specialist advisers concluded, certain minutes were "*not sufficiently full to provide a definitive record of what happened*", would ICSA consider this a breach of its own best practice? Similarly, would this qualify as a breach of a Board's or executive committee's obligations under the Companies Act?
- Can the ICSA set out what steps have been taken since the crisis to ensure that Board minutes, especially at banks, are a fuller description of the discussion, and crucially level of challenge, that has taken place at Board meetings? The Committee would be grateful for accompanying evidence of any such action.

- What guidance, if any, have company secretaries, or those responsible for Board minutes, received since the crisis from the regulators regarding the contents of Board minutes?

I look forward to receiving your reply.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Andrew Tyrie'.

**RT HON ANDREW TYRIE MP
CHAIRMAN OF THE TREASURY COMMITTEE**