

**Minutes of a meeting of the Board of the
CFA Society of the UK (CFA UK) held at the offices of USS, 60 Threadneedle
Street, London EC2R 8HP and via Teams at 5.00pm
on Tuesday 9th May 2023**

Present: L Matthews chair
A Byrne
H Eastman
K Ferguson
W Hung*
K Kosmopoulou* (items 1499 ii. to 1504)
E Koycheva
P Lenoble
F Lundie*
S Solomon

Attending: B Young (company secretary)
W Goodhart (chief executive)
V French* (chief financial officer)
A Ramsay (chief operating officer)
A Pinch (director of customer experience)
S Verjee* (director of outreach)
L Gracie (Indigo Independent Governance)

* denotes attendance via video conference

1495 Apologies for absence

Apologies for absence were noted from Gillian Elcock and Christina Curtin.

1496 Declarations of interest

The register of directors' interests was noted.

1497 Minutes of previous meeting

The minutes of the board meetings held on 24th January 2023, 15th February 2023, 17th March 2023 and the minutes of the strategy meeting on 21st March 2023 were reviewed and approved as accurate records for signature, subject to the correct of a typo in item 1473, where the year would be corrected to 2022.

1498 Matters arising

The matters arising report was reviewed and noted. It was confirmed that a separate meeting for the board with the Head of HR would be arranged.

**1499 Board matters
Strategic**

i. Business transition working group report

The business transition working group report was reviewed and noted. The report had been developed by the committee with the support of the COO; any feedback on data reported in the dashboards was invited from the board.

The overall summary of progress on the business transition was verbally confirmed. A slight delay to the project of roughly four months was anticipated but there was some confidence that this time might be made up. The website would be ready to be launched in Autumn 2023. The delay had been due to an active decision to slow-down the project and resourcing challenges.

The brand work and brand guidelines were confirmed to have been completed and delivered and the brand changes were being rolled out gradually. It was suggested that brand changes could be messaged alongside the volunteer structure changes and the plan was to arrange some "town hall" events to keep members and volunteers abreast of plans.

It was emphasised that delivery of some concrete benefits and changes needed to be achieved by the AGM.

It was agreed that reference to the 'envelope of funding' in the working group's report be replaced with "board approved funding".

Risks associated with the business transition was queried and it was confirmed that risks had been taken into account and updates would be added to the report in future. A separate session would be arranged to review the risks in more detail with some of the working group.

The working group was reported to be working well and had, up to this point, been primarily focused on putting the governance framework in place. Now the focus would move to implementing the framework and overseeing delivery. It was key that the committee get the right balance of reporting and supporting delivery.

ii. Draft strategic objectives for FY23-24

The draft strategic objectives with proposed commitments and success measures, were reviewed and noted. Feedback was requested from the board so that the strategic objectives could be finalised and brought back to the board meeting in July 2023 for approval. The new approach to prioritising objectives and measuring success was highlighted.

Each of the objectives was reviewed and discussed in turn, referencing back to the guidance provided at the strategy meeting.

The measures for CCI registrations were noted to be slightly more aggressive than in the forecast. The potential workshop that had been suggested by CFA Institute to be held in June 2023 had not yet materialised, despite the CEO pushing for it to go ahead, and he proposed to press ahead with the society's own plans in the meantime. Board members were encouraged to engage with any contacts at the Institute to help support future relations.

It was agreed that a sustainability report be published not only in the annual report but in more detail on the website to widen the reach and to signal the importance of sustainability to the society.

It was agreed that the business transition working group would review the enablers in the draft report.

The operational aims were discussed. The IMC strategy was queried and it was confirmed that, although the objective relating to IMC was not a strategic priority, it still remained important to the society. A pilot for an impact in investing certificate had been approved and would be delivered in Q4 2023. The potential natural capital certificate was at the due diligence stage. It was agreed that the wording in 01.3 would be amended to "research launch and potentially develop".

Some caution was expressed regarding future certificates and concern that learnings should be taken from CCI performance. It was considered that the impact in investing certificate would have a wider reach than CCI and, through research, it had been confirmed that employers had an appetite for CFA branded certificates with a smaller number of commitment hours provided they had practical application for relevant roles.

It was agreed to add the word "development" to the careers description in 03.2.

It was suggested that a surplus target be added 04.1 rather than just focussing on limiting losses. It was also agreed that feedback would be requested from the finance committee on the financial measures.

iii. Professional learning update

The professional learning update paper was reviewed and noted.

Attempts by the society to provide professional learning in many different formats over the years had generated limited engagement and it had been recommended by the professional learning panel to signpost members to other professional learning platforms. This would include CFA Institute products.

It was noted that the results of the member survey were due soon and would hopefully provide further insight on the needs of members in relation to professional learning and structured CPD. Consideration could also be given to providing practical advice and professional learning focusing on soft skills.

The delivery format of the professional learning, including through combining online content with offline events was suggested.

Governance

iv. Convene trial review

The convene trial review paper, outlining the feedback received from the board and senior leadership team in relation to the Convene board portal trial, was reviewed and noted.

It was confirmed that the portal could be used for other committees as the meetings are only visible to the licence holders who are given permission to view those records. Some additional licences may be needed and some of the staffed office would need to be given admin rights to enable them to set up other meetings. This would be discussed outside of the meeting.

After due consideration, continuation of the use of Convene for board paper delivery was approved; the company secretary would make the necessary arrangements.

v. Nominating committee update

A verbal update of nominating committee meeting held earlier that day was provided. It was confirmed that the committee had considered succession planning. Hilary Eastman, had expressed an interest in standing for chair and the committee recommended to the board that Hilary Eastman shadow the current chair until appointment as chair following the AGM in November. The board approved the recommendation for Hilary Eastman to shadow the chair until the 2023 AGM.

The committee asked the board to provide any guidance on the skills and attributes required for the next director to be appointed at the AGM. It was confirmed that financial oversight and experience in change management and IT were already on the advertisement. Some experience in portfolio management was also suggested and would be added to the advertisement.

The committee had also confirmed that the next directors to retire and stand for re-election at the AGM in November would be Hilary Eastman and Gillian Elcock.

vi. Annual sustainability reporting

The annual sustainability reporting paper and proposals were reviewed and noted. Both the sustainability committee and the finance committee had reviewed and contributed to the paper. It was confirmed that two reports would be produced, one more detailed report for the publication on the website, and a summary report with highlights for the annual report. The chair's statement would also include a high-level sustainability summary.

It was agreed that a stakeholder materiality assessment would be carried out to identify the most relevant and important areas to emphasise in the report. The outcome of the assessment would form the basis of the reporting and the final report and wording would be brought back to the July board meeting for approval.

Recommendations on the measures and key metrics for FY24 would also be made at the July board meeting, including whether carbon footprint was a priority or factor that the society had much control over. The use of reporting benchmarking should also be considered and sought from a third party, such as the company secretary, auditor or other provider.

Other considerations for the annual report were suggested. A way to highlight board diversity and provide more information on the board members in a similar way to how CFA Institute present the information was discussed. An example of this would be emailed to the board. It was also confirmed

that director attendance at board meetings should be included in the annual report and the company secretary confirmed that this information would be provided to the CFO.

1500 Chief executive's report

The chief executive's report was taken as read and noted.

i. CCI update

It was confirmed that CCI version 2 had been released and an increase in registrations had been seen. The certificate was being promoted strongly and there was lots of marketing activity planned. Advertising click-through and conversion data was being collated.

The conference registrations were noted to be currently at circa 170. The aim was for 250 in total. It was confirmed that the society would be promoting the CCI certificate at the conference and community champions would also be promoting the new communities.

The CEO was continuing to keep communications open with CFA Institute but no progress had been made regarding a potential partnership for the CCI certificate and the Institute had announced the launch of their own climate product in 2024.

ii. Office move update

The office move plans were noted to be all on track. The move was likely to take place in mid-June.

It was advised that the registered office address would need to be changed and, after due and careful consideration, the change of registered office to Boston House, 3rd floor, 63-64 New Broad Street, EC2M 1JJ was approved. The company secretary was authorised and instructed to file form AD01 at Companies House once the date of the move had been confirmed.

iii. Staff survey results

The results of the staff survey were reviewed and discussed.

The compensation-based questions had scored the most poorly. The leadership team had discussed compensation with the staffed office and some areas of compensation process had been made clearer. The COO was also taking steps to improve the benefits package. Communication was also considered key to keep staff more aware of compensation decisions and process. Opportunities to speak with board members might be helpful, particularly as listening sessions in the absence of management. Another concern that was raised in the staff survey results was that the society was not living to the five values. Specifically, this was related to the values of pioneering and adaptability due to slowness in bringing in change. In response to the results, a renewed focus on implementing some planned improvements, such as with recruitment, diversity and inclusion, had been actioned.

It was suggested that ways to give recognition to staff in non-monetary formats should be considered.

iv. Key dates

The key dates were taken as read and noted.

1501 Finance report, management accounts and KPIs

The finance report, management accounts and KPIs for the financial year to 31st March 2023 were taken as read and noted.

It was reported that the first nine months had outperformed the reforecast, with operating profit of £958k versus £569k reforecast. This was mainly due to lower direct costs as a result of delays in the IT project and recruitment.

The total bank account balances and investment analysis was reviewed and noted. A dip in cash in February was queried and it was confirmed that this was due to the corporation tax payment and movement of cash to investments.

The counterparty risk in relation of cash held at HSBC, RBS and Canaccord was queried and it was confirmed that all cash was being moved to money market funds. Canaccord was noted to be the brokers who placed investments and therefore only held money temporarily.

1502 **Committee reports**

i. Professionalism and ethics steering committee report

A verbal update was provided on the proposed merger of the professionalism and ethics steering committees.

A meeting had been held with both committees to discuss the merger and, after initial scepticism, both committees were fully committed to the proposal. The plan was for the committee members to attend the next meetings for each committee and then have a meeting in July together. Committee members would be invited to continue to sit on the merged committee.

Volunteer transition update

A verbal update of the volunteer transition progress was provided. It was confirmed that the plans had been communicated in many difference forums and a good level of engagement had been seen from volunteers. The rationale for the changes had been understood and many had indicated that they would like to continue to be a volunteer.

It was agreed that strong communication of plans was key to the success of the transition and that learnings should be drawn from this experience.

ii. Fellows and councils updates

The report outlining updates on the fellowship committee, asset owner council and advisory council was take as read and noted.

It was confirmed that the fellowship committee would be agreeing another cohort of fellows this year to make up for the year that was missed during the pandemic and to get back in line with the usual bi-annual cycle.

1503 **Any other business**

i. Implications of the CBI's collapse and risk management as CFA UK

The recent collapse of the CBI was discussed and it was agreed that the society should reflect on the situation and take some lessons learnt. It was also suggested that the recent Capita cyber attack could also be a good learning opportunity for the society.

ii. Whistleblowing policy awareness

It was noted that in response to the CBI's collapse the leadership team had emphasised the awareness of the whistleblowing policy to all staff. It was, however, queried whether the policy should be updated to follow the FCA guidance of having a non-executive director as the whistleblowing champion, alternatively the company secretary could be the champion.

iii. Board liaison

It was confirmed that a paper to outline the board liaison plans would be provided at the next board meeting in July.

iv. Presidents council representative vote

The PCR vote for the CFA Institute societies' representative was discussed. It was confirmed that the chair would exercise the vote on behalf of the society. Directors were invited to provide any specific feedback in relation to the vote directly to the chair.

1504 **Date of next meeting**

It was noted that the next meeting would be held on Tuesday 11th July 2023 at 5.00pm at the office of USS, 60 Threadneedle Street, London.

There being no other business, the meeting was closed at 7.37pm.

4th Floor, Minster House
42 Mincing Lane
London EC3R 7AE

Signed: _____

Dated: _____