

**Minutes of a meeting of the Board of the CFA Society of the UK (CFA UK) held at  
the offices of KPMG LLP; 15 Canada Square; London E14 5GL at 5.00pm  
on Tuesday 30<sup>th</sup> January 2024**

**Present:** H Eastman chair  
A Byrne  
G Elcock\*  
K Ferguson\* (to item 1550 iv. only)  
S Hsu  
W Hung  
K Kosmopoulou\*  
E Koycheva  
P Lenoble\* (to item 1551 iv. only)  
S Solomon

**Attending:** C Curtin (director of education)  
V French (chief financial officer)  
W Goodhart (chief executive)  
L Gracie\* (Indigo Independent Governance) (item 1550 ii. onwards)  
S O'Donnell (senior technology advisor) (item 1547 only)  
A Pinch (director of customer experience)  
A Ramsay (chief operating officer)  
P Shivaprasad (director of outreach)  
B Young (company secretary)

**1544 Apologies for absence and welcome**

There were no apologies for absence. Praneet Shivaprasad was welcomed to his first meeting.

**1545 Directors' responsibilities and declarations of interest**

The register of directors' responsibilities and directors' interests were noted. The directors had redisclosed their interests to the secretary and the updated register accordingly.

**1546 Board's own time**

In the absence of management, board members discussed the priorities they would like to address at the meeting and some of the key points in relation to the proposals to be discussed that they would like to cover.

It was agreed that the degree of detail included in the minutes of this section of the meeting would be agreed between the chair and company secretary.

**1547 Strategic**

i. Update on IT strategic progress and future path (additional funding, continuous development, rebuild of IT committee)

The IT strategic progress paper was reviewed and noted.

The achievements delivered by the project so far were summarised and it was suggested that, as the project entered its final year, a shift in mindset to 'business as usual' would be appropriate once the education project had been completed, expected to be in June 2024. At this point it was envisaged that the business transition working group would be disbanded. A forward plan was also proposed whereby £270k of spend would be earmarked for 2025/2026 and, from 2027 onwards, 5% of annual revenues would be budgeted for continuous IT improvements and maintenance costs. It was confirmed that, whilst amounts varied between sectors, applying a percentage of revenues to ongoing IT spend was a common budget mechanism. Accordingly the substantial part of the IT budget going forward would be to support growth, data and digital priorities. Inflation had not been factored in the projection but this might be resolved naturally through the link to revenue growth.

#### 1548 **Minutes of previous meetings**

The minutes of the board call held on 7<sup>th</sup> November 2023 and the board meeting held on 21<sup>st</sup> November 2023 were reviewed. Subject to the deletion of the incomplete sentence immediately preceding the 'Next steps' heading in item 1530, the minutes of 21<sup>st</sup> November 2023 were approved. The minutes of 7<sup>th</sup> November 2023 were also approved.

The minutes of the 2023 AGM held on 21<sup>st</sup> November 2023 were reviewed and noted.

#### 1549 **Matters arising**

The matters arising report was taken as read and noted.

The action marked as closed in relation to the IMC designation was queried and it was agreed that this matter should be further considered, potentially at the strategy meeting.

The action carried forward in relation to the sustainability targets for the investment portfolio and the provision of feedback to the sustainability committee was discussed. It was requested that details of actual ESG certificate revenues versus the original estimates be provided by email.

#### 1550 **Strategic (continued)**

##### i. FY24 Reforecast

The FY24 reforecast paper was noted. A significant increase was noted in ESG revenues as a result of higher registrations in Hong Kong. It was unclear if the increase indicated the start of a sustained trend or a one-off event, but revenues in January had been less strong. The forecast for the Impact certificate was queried and it was confirmed that lower registrations had been seen in January due to the delayed launch. A question was raised about the delay in the launch of Impact. It was discussed that there was a minor delay to candidates being able to register, from 1 to 23 January 2024. Examinations would be able to be sat from March.

It was noted that the cost underspend reflected the IT website partner resource constraints which had limited their delivery. The Board was informed that only £200k of the £268k new Board-approved funding had been included in the FY24 capex reforecast. The IT committee had recommended that the original £200k requested be adjusted to a higher amount, including contingency. While the FY24 reforecast would not be adjusted for the additional £68k, the Board-approved funding value in the transition costs dashboard would be increased to reflect the additional £268k funding approved

A reforecast operating profit of £175k was estimated for the financial year FY24, compared to an original forecast operating loss of £911k.

##### ii. Report on DEI committee approach, leadership and positioning

The report on the DEI committee approach, leadership and positioning was reviewed, noting the suggested options to introduce a narrower focus for the DEI committee which had been proposed following consultation with committee members. The society's future approach to DEI leadership was discussed at length, in particular focussing on alignment with the society's wider strategy and desire to focus efforts where they would deliver the most significant impact.

The advantages of the DEI committee being a full board committee versus a sub-committee of the sustainability committee were also debated, following which it was agreed that the DEI committee should become a sub-committee of the sustainability committee. It was noted that an attempt to recruit a DEI committee chair from within the membership had not previously been successful. It was considered important for the chair to have high-profile in the industry and it was agreed that the committee's purpose and strategy should be clearer before a chair was sought in order to find the right fit. It was also queried whether, in the meantime the committee and its work, in particular in relation to the CFA Institute code, in its current format should continue to be paused until further decisions could be made. It was noted that some negative feedback had been received from the committee regarding the pause and therefore some work and budgets had been authorised through the communities committee in order not to lose momentum.

The board liaison system and the effectiveness of the board liaison role were queried. It was agreed that this would be reviewed by the leadership team and discussed outside of the meeting.

It was agreed that further consideration should be given to the remit and purpose of the DEI committee and presented for further discussion at the strategy session in March 2024.

iii. Update of Impact certificate pilot

The paper providing an update on the impact certificate pilot was reviewed and noted.

It was noted that management considered the pilot to have been successful in terms of the quality of the learning materials and examination. Feedback received from candidates had been positive. Areas of improvement included reducing some repetition of the syllabus and streamlining some areas in the materials, although the impact reporting topic would be expanded.

The board extended its thanks to panel chair and to the authors of the learning materials.

iv. Plans for March strategic board meeting

The paper outlining the plans for the March strategic board meeting was reviewed and noted and the board was invited to provide guidance on which topics should be discussed at the strategic meeting - suggestions were provided for the following matters:-

- revenue model and qualifications versus professional learning
- sustainability and materiality assessment
- succession planning and talent retention for the staffed office
- membership retention and membership routes
- artificial intelligence technology – threats and opportunities
- extending the market for certificates beyond the membership
- the relationship with CFA Institute.

It was requested that a board member survey be carried out and background reading be issued before the strategy session so that decision making was well supported by data.

## 1551 Governance

i. Sustainability committee report and PRI discussion

The sustainability committee report was taken as read and noted.

The decision to appoint Elena Koycheva, CFA, chair of the sustainability committee was approved and ratified. Previous chair, Fraser Lundie, CFA, would remain as a member of the committee.

Currently the committee was working on the materiality assessment, the interim findings of which would be provided as background to the strategy meeting.

*Post-meeting note:*

*It was further decided not to focus on sustainability during the strategy meeting due to time constraints.*

Governance of the committee was under review, with a working group structure being adopted to reduce the number of full committee meetings, map touch points on sustainability matters with other committees and focus attentions on certain areas.

It was confirmed that initial discussions with PRI had indicated the society should register as a service provider rather than an asset owner. The chief executive would get a greater understanding of the process to become registered and would make a formal recommendation, via the sustainability committee, for approval at the strategy meeting.

ii. H1 investment committee report

The report of the investment committee report for H1 FY24 was taken as read and noted.

It was queried whether the previous suggestion to consider investment trusts had been actioned by the committee.

iii. Proposal to join Chartered Body Alliance

The paper outlining the proposal to join the Chartered Body Alliance was reviewed and noted. The society already had good relationships with CISI and CBI and it would be considered a benefit to be part of the

Chartered Body Alliance to increase collaboration between these leading financial sector organisations and increase visibility and relevance within the industry. Additionally, involvement in joint responses on consultations could reduce the burden of responding individually and enable contributions to a wider number of responses. It was also likely to be considered a positive development by CFA Institute.

The bandwidth of the chief executive was queried but his involvement was not expected to be onerous, with the informal agreement containing no binding commitments. The draft agreement was noted. After due and careful consideration, the proposal to join the Chartered Body Alliance was approved subject to some amendments being made to the agreement. The chief executive would circulate the updated version of the agreement to the officers before finalisation and circulation to the wider board for information.

iv. New terms of reference approvals for committees

*Sustainability committee*

The sustainability committee terms of reference were reviewed and noted.

The frequency of the review of the terms of reference was suggested to be reduced to every two years. The quorum for meetings was queried at 50% of the committee; other terms of reference had a quorum of 75%. The responsibilities of the chair of the committee were extensive and should be reviewed to ascertain if they remained appropriate. It was noted that the DEI committee oversight would need to be added to the terms of reference. Additionally, the staffed office representative should not be a voting full committee member.

It was confirmed that the standardisation of all committee terms of reference had not yet been completed by the member experience committee. It was noted that this was a priority task for the committee to complete and that standard terms of reference would be brought back to the board for approval in the due course.

The terms of reference for the sustainability committee were approved subject to the review of the matters raised in the meeting, including alignment with standard committee terms of reference.

*Communities steering committee*

The communities steering committee terms of reference were reviewed and approved, subject to the standardisation of all committee terms of reference.

*Member experience committee*

The terms of reference for the member experience committee were reviewed and noted. It was confirmed that this was the initial terms of reference for the first year of the committee and standardised terms of reference would be produced following the first year after inception.

The terms of reference for the first year of the member experience committee were approved.

v. Nomination committee membership

The paper outlining the proposal for Elena Koycheva, CFA, Alistair Bryne, CFA, and Weiyen Hung, CFA to be appointed members of the nominating committee for 2024 was taken as read and noted.

After due and careful consideration, it was approved that Elena, Alistair and Weiyen be appointed to the nominating committee for 2024, together with the past board chair and an independent member.

vi. Board code of conduct

The paper proposing the annual review of the board code of conduct was taken as read and noted. It was confirmed that the board code of conduct remained appropriate and no amendments were suggested. Accordingly, the board code of conduct was approved in its current format.

**1552 Management reports**

i. Chief executive report

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

It was confirmed that management had attended a positive meeting with local CFA Institute colleagues which had led to constructive discussions on potential future collaboration on certificates. This was agreed to be a positive development and would be encouraged.

ii. Finance report, management accounts and KPIs

The finance report, management accounts and KPIs for the period to 31<sup>st</sup> December 2023 were taken as read and noted.

iii. Operational report and membership update

The operational report and membership update was taken as read and noted. The new style report was a work in progress and it was noted that dashboards would be further developed and included in future reports.

**1553 Items for information**

i. Business transition update report

The business transition update report, which had been incorporated into the IT update paper reviewed earlier in the meeting, was noted.

ii. Board guide and slides

The updated board guide and slides were taken as read and noted.

iii. Revised board meeting dates

The paper outlining some changes to the board meeting dates for 2024 and 2025 was reviewed and noted. A board call to review the annual report and accounts had been added to the schedule in September 2024 and the September board meeting had been postponed to a later date in October. It was also noted that the strategy session had been moved to Monday 11<sup>th</sup> March 2024.

It was proposed and agreed that the meeting in July 2024 be a fully virtual meeting.

It was agreed that a meeting to review the Ofqual report would also be added to the schedule in September and a date for that would be explored.

It was requested that feedback regarding dates be emailed to the company secretary who would update the meeting invitations appropriately.

**1554 Any other business**

There was no other business.

**1555 Date of next meeting**

It was noted that the next meeting would be the strategy session which would be held on Monday 11<sup>th</sup> March 2024 at 3.00pm. The venue was yet to be confirmed.

There being no other business, the meeting was closed at 7.51pm.

3<sup>rd</sup> Floor, Boston House  
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Signed: \_\_\_\_\_

Dated: \_\_\_\_\_