

**Minutes of a meeting of the Board of the  
CFA Society of the UK (CFA UK) held at via Zoom at 5.00pm  
on Tuesday 25<sup>th</sup> January 2022**

<b>Present:</b>	L Matthews	chair
	H Eastman	
	K Ferguson	(items 1408 to 1413 iii.)
	W Hung	
	K Kosmopoulou	
	P Lenoble	
	F Lundie	(items 1412 iii. to 1415 i.)
	T Nuding	
	S Solomon	
	H Thomas	(items 1412 iii. onwards)
D Zahn	(items 1412 onwards)	

<b>Attending:</b>	B Young (company secretary)	
	W Goodhart (chief executive)	
	C Curtin (director of education)	
	V French (director of finance & operations)	
	A Ramsay (director of member services)	
	L Gracie (Indigo Independent Governance)	
	E McLachlan (Alenth Consulting)	(item 1412 iii. only)
	L Beard (chair of volunteer steering committee)	(item 1414 i. only)
	O Maguire (chair of inclusion and diversity committee)	(item 1414 only)

**1408 Apologies for absence**

Apologies for absence were received from Gillian Elcock.

**1409 Declarations of interest**

The register of directors' interests was noted. The declarations had been updated in January 2022 and there were no amendments or changes to be made.

**1410 Minutes of previous meeting**

The minutes of the board meetings held on 27<sup>th</sup> September 2021 and 23<sup>rd</sup> November 2021 were reviewed and approved as accurate records for signature. The AGM minutes held on 23<sup>rd</sup> November 2021 were also reviewed.

It was noted that the draft AGM minutes would now be published on the website.

**1411 Matters arising**

The matters arising report was reviewed and noted. The following updates would be made to the list:

The deadline for the action relating to the promotion of AIMA would be carried forward to April 2022. The deadline for the action relating to the thresholds for membership risk on the risk register would be carried forward to the next review of the register in 2022. Deadlines for the actions relating to reviewing directors' qualifications on the website, the review of auditor independence and the committee liaison would all be carried forward to April 2022. The E&E Committee was also asked to consider and provide a recommendation of use of IMC as a designation.

**1412 Board matters**

**i. Strategic objectives review**

The one-year and three-year strategic objectives were reviewed and noted. The current strategy was supported and no changes were suggested.

It was noted that good progress was being made against the objectives although there was likely to be a slight delay on the delivery of membership, professional learning and communities objectives.

ii. Strategic meeting planning

It was noted the strategy meeting would be held on Tuesday 22<sup>nd</sup> March 2022 at 3.00pm. It was proposed that the current strategic objectives would be reviewed but not changed, with discussion at the meeting to focus on how to deliver them. Directors were asked to consider the objectives and brand positioning proposals ahead of the meeting.

iii. Alenth presentation on CFA UK brand positioning and staffed office structure

The brand positioning proposal was presented.

It was confirmed that a Board advisory group had been formed to liaise with Alenth Consulting and a member focus group had been operating in relation to the positioning of CFA UK as a brand for over a year.

The proposition set out the simplification of the brand and the re-organisation of the website and member offerings under three primary products, namely academy, lab and club. The proposal had been developed with the society's core values and purpose in mind, with the aim to articulate the value added by society membership and so to increase member acquisition and retention.

The proposed 12-month plan for the brand re-launch was noted.

Feedback was provided in response to the proposal. It was confirmed that most of the work to re-launch the brand would be surrounding the development and refinement of the core products over the next year. The order in which the three products were listed was queried and it was confirmed that the order was deliberate, with the education aspect first, and should remain consistently in the order of academy, lab and club. The language used with the three products was also questioned and it was confirmed that the use of the three physical places had been selected to build a sense of destination and to develop the society physically as well as virtually. The focus groups had been consulted over the names and had been positive about them. The ways to measure the success of the rebrand were queried and it was confirmed that KPIs should be developed now so they could be measured and monitored throughout the process. A specialist re-brand consultant could assist with this.

Whilst most of the feedback was positive it was acknowledged that the plan encompassed a lot of activity and it was queried whether it was too ambitious to do at one time. It was counter argued that the plan sought to simplify and re-package the member services that were already on offer and the plans to increase headcount and re-structure the staffed office would help build bandwidth to support the re-branding activity. The full proposal deck would be circulated so that the plans could be understood in detail.

It was generally agreed that the concept of the re-brand was good and the framework and approach had been well thought out, but the resourcing considerations would mean that it might not all be achievable within one year.

The next steps were agreed. The full proposal deck would be circulated to the board. The board were requested to review the proposals and provide feedback to the chief executive and director of member services over the next few weeks. The staffed office would, taking into consideration the feedback received, identify the core products under the new brand and develop a roadmap to be reviewed at the strategy meeting in March.

The proposed staffed office structure was reviewed and noted. The resourcing proposal would be required to support the significant change in focus to engage with members and others as customers and to address working in silos. It was noted that the new structure focused on collaborative working organised by product as well as function.

It was proposed that more information and plans be developed based on the new structure which would be reviewed in more detail at the strategy meeting. Areas to be considered would be included in the plans, such as technology and system requirements, recruitment strategy, the extent of the ambitions and also a cost, benefits and risks analysis.

The introduction of the COO role was discussed and was considered a fundamental requirement to support the new structure and to alleviate key man risk for the CEO role. This was widely supported by the board. The rationale for having IT under the CFO's responsibilities was queried and it was confirmed that the plan would be to have IT systems, covering risk and security, under the CFO and IT in terms of application and user experience overseen by the COO. External communications were also queried, and it was confirmed that, although this would remain a key function for the CEO, the proposed director of external relations would play a key role in disseminating information on behalf of the society.

The role titles of the proposed senior leadership team were queried and it was confirmed that the titles had not been finalised but it was considered that the senior director of education should be included in the core leadership team considering the importance of qualifications to the society.

The recruitment strategy was discussed and it was hoped that many roles could be filled through promotion of existing staff, however it was likely that some external hirings would also need to be made. Caution was advised regarding the mix of internal and external recruitment.

#### iv. Purpose statement explanation

The purpose statement explanation paper was reviewed and noted.

The objective to keep the statements inclusive to all members was noted.

It was suggested that the purpose statement be reviewed under the re-brand to keep the language consistent and potentially re-order the purposes to 'educating, inspiring and connecting'.

#### v. Code of Conduct review

The Code of Conduct was reviewed and noted.

It was questioned whether board member attendance should be monitored and reported to provide more transparency. It was confirmed that board attendance data was collated by the company secretary for use of the nominating committee and that attendance records could be published in the annual report each year. This information would be provided to the director of finance when the year-end accounts were being produced.

An amendment to the reference of a two-year director term would be made and a reference to the society's purpose would also be added to the document.

After due consideration, the code of conduct was approved, subject to the aforementioned amendments being made.

#### vi. Minutes redaction policy

The minutes redaction policy was reviewed and noted.

Redactions of the board minutes were made by the chief executive and company secretary before the minutes were released for publication on the members areas of the website. The policy set out to codify those confidential areas of the minutes which it was not appropriate to publish and which, accordingly, had commonly been redacted for the last ten years.

It was suggested that, in line with CFA Institute and other similar organisations, the society consider publishing the minutes publicly on the website rather than restricting to members only. The suggestion was agreed to need more thought to evaluate the benefits and drawbacks of publishing the minutes to all. One of the potential consequences of publicly sharing minutes was suggested to be the inhibition of directors who may not feel comfortable to fully express views frankly if the minutes were available to the wider public.

It was agreed that Weiyen Hung and the company secretary should consider the costs and benefits of moving the minutes to an unrestricted area and bring a recommendation back to the board. The policy was approved.

vii. Board induction slides

The recently updated board induction slide deck was taken as read and noted.

Thanks were extended to Tim Nuding and the director of member services who had updated the deck and produced a very useful guide for new directors.

viii. E&E committee report re: panel governance

The E&E paper setting out the proposals made following a robust review of panel governance was reviewed and noted.

The recommendations to the board following the review, as set out in the paper, were discussed and approved.

It was recognised that a number of people from the staffed office and committees had been involved in the extensive process and all who were involved were thanked for their hard work in reaching a resolution.

The paper format was commended and was suggested to be used as a board paper template going forward.

**1413 Chief executive's report**

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

i. Climate change certificate pilot update

An update on the climate change pilot progress was noted in the report and a further update was provided verbally. The pilot was in its third and final examination week and feedback would be received the week after. A standardisation review would be carried after the pilot to evaluate the difficulty of the examination and make adjustments. It was confirmed that the process for establishing the pass rate and question standardisation had been the same as that used for the ESG certificate with the help of a psychometrician and there was some scope for adjustment. Other factors contributing to the lower pass rate would be considered, such as the ESG pilot being sat by ESG experts, which was not the case for the climate certificate, and the shorter amount of study time in this pilot. The lower CFA program pass rate was also noted.

The examination materials would be reviewed for version 2 of the qualification and it was noted that the aim was to streamline the materials and reduce some of the detail in some chapters.

ii. ESG certificate transfer

The ESG certificate transfer update was taken as read and noted.

**1414 Committee reports**

i. Volunteer steering committee report and volunteer steering committee governance document

The updated volunteer governance document and accompanying explanatory paper were presented and noted.

A summary of the purpose of the document was provided. It was hoped that the document would help the committee work towards its vision to encourage all members to become involved in volunteering with the society. The document was noted to be ever-evolving.

It was agreed that the document was a very useful resource and committee chairs should be encouraged to share the document with committee members and other volunteers. The committee was thanked for its hard work.

It was suggested that some of the information contain in the document could be added into a volunteer manual in the future.

The board were asked to approve the document but it was suggested that it might be more appropriate to review the document again once it had been updated to align with the society's strategy following the strategy meeting in March 2022.

ii. Inclusion and diversity network committee report

The inclusion and diversity network committee report was presented and noted.

Some of the highlights of the update were discussed, including the current areas of focus for the committee, its successful engagement in 2021 and the forthcoming activities planned in 2022, including the inaugural I&DN conference in February 2022.

The requests for staffed office support and engagement from a special I&D professional were noted to enable the implementation of the ambitious plans.

The board provided positive feedback to the achievements of the committee and praised the collaboration that had occurred between committees.

iii. Investment committee update

The investment committee update report was taken as read and noted.

It was noted that the portfolio had returned an average of 8.9% over the last three years, a level which was unlikely to be repeated in the current environment. It was also noted that, although the investment portfolio was not likely to achieve UK CPI+1% in the next six to 12 month period, it was expected to meet this benchmark for the mandated three to seven year investment horizon.

**1415 Chief executive's report continued**

i. IT project update

The IT project cost update and dashboard were taken as read and noted.

The IT project costs to date were reviewed by the Board. The IT committee had also reviewed the cost dashboard at its January meeting.

It was noted that funding had been approved by the Board for spend on IT projects since January 2020 relating to three projects: Sitecore website user experience (UX), phase 1c of the CRM project and the qualifications project, to move qualifications administration onto Dynamics. Spend on the first two areas was either expected shortly or in progress, as at January 2022.

An additional funding request was noted for a new project, the development of professional learning plans on Sitecore, following the decision to decommission the FUSE 'Discover' learning platform. The funding requested would include the discovery phase, proof of concept and build costs.

Additional funding was requested for a project manager resource to run the various IT projects, to 30 June 2022, costs for which included a month's overlap with the previous project manager. It was noted that the project management cost had previously been approved by the Board, via its inclusion in the FY22 forecast.

The board were keen to understand the overall position of the IT project, including how far progressed the project was compared to the original 2020 IT plans, how much more work was yet to come and also an estimation of total costs. As a rough estimate, the MS-Dynamics CRM work carried out in phases 1a, 1b (membership and events functionality) and future work in 1c (Higher Logic integrations, volunteer and membership and events enhancements) could amount to approximately half of the Dynamics CRM work, with the education phase yet to come.

The new website-related IT projects that had recently started were not included in the above percentage completion estimation. That project was expected to improve member retention as more tailored information could be directed to members in a more effective way.

It was confirmed that an overall IT roadmap would be developed with the project manager, with an estimation of costs and benefits for review at the strategy session.

The capitalisation accounting treatment of the IT project costs was discussed and further discussions on the matter were to be had outside of the meeting.

Having noted that the IT committee had reviewed the funding request and were supportive of the proposals, the funding for the learning plans project and project manager cost, was approved.

ii. Reforecast

A paper on the reforecast for the FY22 financial year was reviewed and noted.

The main areas of the paper were highlighted and discussed. The operating profit forecast for FY22 had increased by 8%, mainly due to higher revenues generated from the ESG qualification, offset in part by lower IMC examination revenues and lower than forecast climate qualification revenues. It was noted that the ESG certificate had increased revenues for the society and created a higher operating surplus in FY22, than in previous years.

iii. Membership

The membership update was taken as read and noted.

The Covid disruptions of the past two years had made it difficult to see a pattern in membership behaviour and changes to the CFA program examination sitting had provided challenges in forecasting future member acquisitions.

It was noted that whilst the source of new member acquisitions was sometimes difficult to track, the member renewal rates were broadly in line with, or slightly better than, levels seen in pre-Covid times in 2019.

**1416 Finance report, management accounts and KPIs**

The finance report, management accounts and KPIs as at 31<sup>st</sup> December 2021 were taken as read and noted.

It was noted that headcount metrics had been added to the report as requested at the last board meeting.

i. Hedging policy

The hedging policy paper was taken as read and noted.

It was confirmed that the hedging policy had been reviewed and approved by the finance committee and it was therefore recommended for approval.

The quantum and volume of the expected hedging transactions were confirmed to be only maybe once or twice and year and it was advised that, in the event that volumes increased, a value hedging arrangement might be appropriate rather than to arrange hedging for each occurrence in order to reduce the management burden.

The hedging policy was approved.

ii. Authority levels for purchasing

The paper on authority levels for purchasing was taken as read and noted. It was noted that the paper had also been reviewed and approved by the finance committee.

Purchasing included hiring decisions.

After due and careful consideration the paper was approved.

**1417 Any other business**

i. CFA UK bursary initiative

The CFA UK bursary initiative paper was taken as read and noted. Having confirmed that the board remained supportive of the bursary, it was agreed that a working group would be formed to progress the matter. Helen Thomas had agreed to lead the working group.

**1418 Date of next meeting**

It was noted that the next meeting was the strategy meeting and would be held on Tuesday 22<sup>nd</sup> March 2022 at 3.00pm. The meeting would be held at the Wallacepace Clerkenwell Green, 18 Clerkenwell Green, London EC1R 0DP.

There being no other business, the meeting was closed at 8.11 pm.

4<sup>th</sup> Floor, Minster House  
42 Mincing Lane  
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Signed: \_\_\_\_\_

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