

**Minutes of a Meeting of the Board of the
CFA Society of the UK held at 5.30pm on
Tuesday 30th September 2019 at
London Stock Exchange, 10 Paternoster Square, Curzon Street, London, EC4M 7LS**

Present: D Murray (chair)
G Cook
W Hung
M Loneragan
S Wackerle
M Bailey
A Livsey
D Zahn (from item 1242.i. to 1243 vi.)
H Eastman by telephone (from item 1240 to 1243 vi.)
L Matthews by telephone (from item 1242.i.)

In attendance: G Collet (for item 1242.i. only)
W Goodhart (chief executive)
A Ramsay (director of member services)
C Curtin (director of education)
V French (director of finance) (from item 1242.i.)
B Barber (company secretary)
L Gracie Chadwick Corporate Consulting

1240 Apologies for absence

Apologies for absence were noted from Gillian Elcock, Helen Thomas, Fraser Lundie and Tim Nuding.

1241 Minutes of previous meeting

The minutes of the board meeting held on 25th June 2019 were reviewed and approved as an accurate record for signature. The minutes of the management committee meeting held on 16th July 2019 were also reviewed.

1242 Matters arising

The matters arising report was reviewed and noted.

It was confirmed that the starting position on strategic objectives would be added to the KPI report and would be circulated by email to the board.

The media activity daily bulletin had been organised.

Contact would be made with the company secretary at CFA Institute to understand any governance review procedures that may be useful to CFA UK.

i. Volunteer experience document rollout update

Greg Collet presented an update of the volunteer experience document rollout. It was noted that meetings had been held with various steering committees to introduce the experience document.

A series of FAQ's had been published on the society's website as guidance and a volunteer policy document was also being formulated.

A survey would be conducted from 1st to 20th November, to collate feedback of the volunteer experience document after which the document would be reviewed and amended.

At the end of August there were 546 volunteer roles and 457 people filling those roles.

Initial training had been organised for all volunteer leads and would continue to be offered to all new future leads. Further training was being offered on a monthly rolling basis by the society.

It was discussed that the new tool being launched, CFA Connect, would be a great benefit to the volunteers to help communicate and engage with others.

It was noted that clearer communication from the board would be welcomed to assist the volunteer steering group in the future. It was confirmed that communications from board level were being re-examined as part of the governance review and would likely be reformed once the review had been finalised.

The chair thanked Greg Collet and the volunteer steering committee for their continued hard work and dedication in progressing the volunteer initiatives, which had made a huge impact on the volunteer experience, and which was a great advantage to the society.

It was confirmed that the volunteer recognition evening was being held on 10th October 2019.

1243 Chief executive's report

i. Certificate in ESG Investing

An update was provided in relation to the recently run pilot of the ESG certificate. The pilot closed on 20th September, at which point 161 pilot exams had been taken in total. The results would be published no later than 31st October 2019.

108 replies to the survey had been received to date from the pilot participants and initial analysis had been mainly positive. Further in-depth analysis was required but the main points that had been highlighted related to the difficulties in accessing materials and functionality to be able to either download or print, which was now being addressed. Feedback about the content had also been positive although comments on areas of duplication and some inconsistencies in the style of writing and where topics overlapped had also been received. Suggestions for broadening topics and expanding some areas of the syllabus had also been made.

The feedback for each stage of the pilot was being taken into consideration together with the views of academic advisors and the examinations and education committee as part of the syllabus review. The review and amendments will contribute to version two of the learning materials, which was intended to be launched in 2020.

The registration process had opened for the first live sitting of the certificate in December 2019. 186 candidates had signed up to date.

It was suggested that the updated version be offered to past candidates and consideration would be given of how to implement that.

ii. ESG Conference

The bookings for the ESG Conference on 29th October 2019 were good, with 340 confirmed attendees. Governor Carney had agreed to allowing the society to live stream the fireside chat to enable members to access the conference remotely.

It was suggested that next year's conference be promoted as a combination package with the ESG certificate.

iii. Ofqual annual report

The Ofqual Audit had been carried out following the examinations and education committee's self-evaluation process. The overall report concluded that the society was a "well-run awarding organisation" and was found to be "scrupulous in its compliance with its General Conditions of Recognition". Two minor areas of non-compliance were reported; one relating to the lack of a gender-neutral option being available during the registration process and the second relating to the lack of unique identification of IMC certificates. Statements of non-compliance in these areas would be submitted by 30th September 2019. Steps were being taken to achieve compliance in these areas which were expected to be completed by 1st December 2019 for the IMC certificates and by 30th June 2020 for the registration process.

Thanks in recognition of the significant work carried out by the staffed office and the examination and education committee members was extended by the chair of the committee and endorsed by the board.

iv. Fraudulent IMC training agencies issues

A verbal summary of fraudulent activity that the society had been made aware of was provided. It was noted that legal advice had been taken through Trowers & Hamblins. A warning of the fraudulent activity and confirmation of the official training partners with the society had been added to the website to warn people of the potential risk. Since this action there had not been any further reports of instances.

It was discussed that taking a more proactive stance in this matter might be beneficial to ensure that this does not reoccur in the future and to protect the reputation of the society. It was agreed that an update would be requested from lawyers, Trowers & Hamblins and advice about a more proactive way to proceed to deter offenders would be sought. The advice would be shared with the board by email within the next two weeks.

It was suggested that the staffed office conduct a monthly google search and also that records from Companies House are checked.

v. Professional learning platform update

The platform was now in the final stage of development and had been named CFA UK Discover. The final testing was being carried out before being launched to 3,500 members by mid-October. Testing had been very positive and a few minor technical problems had been identified and were in the process of being fixed.

There was a delay in providing the CPD tracker function, which CFA Institute were working on.

Currently a total of 750 pieces of content were ready and 500 pieces had been uploaded on to the platform so far. A content editor had been engaged and was starting in the new role on 1st October 2019. It was hoped that a continuous stream of content would be created or curated and approximately 1000 pieces of new content would be published each year. The challenge would be to keep content fresh and relevant whilst keeping the right balance of quality versus quantity.

An eight-week promotion campaign had been developed with marketing advisors with a specific targeted marketing message.

It was noted that the content steering committee would welcome guidance on topics where content was most required.

CFA Institute were required to decide upon member access rights to the CFA Discover platform and who would be the distributor for the platform. It was hoped that a local society membership option would be facilitated to allow such members to gain access to content generated by their own society on the platform.

Funding from the Institute had been received in the sum of £93k for the development of the platform and a request for funding for the coming year was due to be made at the beginning of December 2019. It was noted that CFA Institute were close to deciding upon a platform provider for their own version of a professional learning platform but there was still a lot of work for them to do to complete this.

Suggestions for KPI's and their capture were made and discussed.

The dummy log on details for CFA Discover would be re-distributed to the board.

vi. Governance review

It was confirmed that the surveys and interviews of the directors and executive team had been conducted by John Harte of Integrity Governance. The initial feedback from these investigations had been positive on the whole. Potential areas of improvement had been suggested including improving

clarity on the roles and responsibilities of the board members and the role of the management committee and board.

The results would be fully analysed by Integrity Governance and would be formally reported in the next few weeks. It was noted, as well as feedback from the governance working group, that Tim Nuding would provide a commentary on the report. The governance review would be discussed further at the October management committee meeting, to which all board members were invited to attend. It was also intended that a breakfast briefing would be arranged by Integrity Governance to present their findings.

Discussions about proposing changes to the articles in relation to the size of the board at the upcoming AGM were held. It was noted that an explanation of the governance review to address member issues would be included in the chair's covering letter accompanying the AGM documents and was included in the chair's report. Due to the time pressure, it was agreed that no changes should be made to the articles of association as a result of the governance review at this year's AGM and, should it be necessary, the society would convene an EGM to propose changes to the articles in 2020.

vii. Renewal Rates and membership survey

A decline in membership renewals was reported, which continued the downward trend for the third consecutive year. Remedial actions were being taken by the staffed office, which included the implementation of a tele-marketing campaign aimed at specifically identified groups of lapsed members.

Further analysis of the data was required and the staffed office were also considering data from the Membership Matters survey earlier in the year to counteract identified gaps that could assist member retention and acquisition.

viii. Careers advisory services proposal

To further enhance the member prospects and satisfaction and to assist in member retention and acquisition a career management proposal was presented to the board. The proposal laid out plans to develop a professional development offering. A further proposal and feasibility analysis would be presented to the board in December 2019 in relation to providing careers and learning support. The costs involved in developing the career management proposal were expected to be in the region of £49k including a nine month career consultant role.

Research of similar organisations had found that a number of them were offering better support tools to members and it was hoped that this would give the society an extra competitive edge.

The board approved the proposal to develop the careers management offering.

ix. Policy language update

The update in relation to the consistent use of policy language provided in the board papers was taken and noted.

x. CFA Institute board meeting, Marg Franklin contact & regional SLC

It was noted that Marg Franklin had now taken over as CEO of CFA Institute. There were a number of opportunities for the society's CEO, board members and executive team to meet with Marg during October. The CEO was keen to establish her view of IT, CPD, outreach and to introduce her to the ESG certificate to get an understanding of the direction of the Institute under the new leadership.

xi. Management accounts and KPI's

The management accounts for two months to 31st August 2019 were taken as read and noted.

1244 Board matters

i. Audit findings report including IT

The audit findings report was taken as read and noted. It was reported that some minor issues had been highlighted in relation to IT practices including the use of USB sticks. These matters were being improved and specific training would be introduced to staff to mitigate these areas of risk.

ii. Approval of report and accounts and letter of representation

The draft report & accounts for the period ended 30th June 2019 was noted together with a letter of management representation to the auditors.

After due and careful consideration IT WAS RESOLVED that the annual report & accounts for the period ended 30th June 2019 and the accompanying management letter of representation to the auditors be approved and that Victoria French and Matthew Lonergan be authorised to agree such further minor amendments to the drafts of those documents as may be considered necessary or desirable and to sign the balance sheet and management letter of representation on behalf of the board and that the secretary be authorised to sign the directors' report on behalf of the board.

iii. Notice of annual general meeting

The notice of annual general meeting was noted and was approved for issue to voting members on behalf of the board on 18th October 2019.

iv. Risk register review

The risk register had been revised since the last board meeting in June, including changes that were suggested at the meeting such as related to Brexit, IT and reputational risks. A risk matrix and summary had also been provided and were included in the board pack. The board duly approved the risk register.

ii. Report of the nominating committee

The report of the nominating committee and the recommendations it contained to propose the re-appointment of existing board members due to retire and to appoint Katerina Kosmopoulou to the board were noted and approved.

It was noted that the nominating committee had produced a set of criteria as guidance to future committees when appointing an independent member of the nominating committee. It was agreed the review of the criteria be deferred to the board meeting in January 2020.

iii. Fellowship committee recommendations

The report of the fellowship committee and recommendations were reviewed and duly approved by the board.

iv. Investment policy update

The investment reserves policy statement had been revised by the investment committee and was presented in the papers. The amended policy was taken as read and duly approved by the board.

v. Ethics steering committee

The proposed terms of reference for the ethics steering committee had been provided to the board for review and approval. It was agreed that this be deferred until the January 2020 board meeting as committee structures were part of the matters being considered in the governance review.

vi. 2020 meeting dates

The proposed meeting dates for 2020 were noted. The meeting date for May 2020 clashed with the conference week and would need to be revised. Board members were requested to feedback as soon as possible if they were not expecting to be available to attend.

1245 Any other business

i. IT strategy

It was noted that a proposal for the IT strategy, as recommended by the IT committee, would be provided at the October management committee meeting.

ii. Local membership strategy

It was noted that the local membership strategy would be discussed at the October management committee meeting.

iii. ESG feedback breakfast briefing

It was noted that a breakfast briefing to provide feedback of the pilot ESG certificate would be held on 11th October 2019 and calendar invites to the board would be sent shortly.

There was no other business.

1246 Date of next meetings

The next board meeting would be held immediately following the annual general meeting on Tuesday 26th November 2019 at Chartered Accountants Hall, One Moorgate Place, London EC2R 6EA.

It was noted that the next management committee meeting would be held at 5.30pm on Wednesday 30th October 2019 at CFA UK.

There being no other business, the meeting was closed at 7.25 pm.

4th Floor, Minster House,
42 Mincing Lane,
London EC4N 5BP

Signed:.....

Dated:.....