

**Minutes of a meeting of the Board of the
CFA Society of the UK (CFA UK) held at 5.00pm
on Tuesday 26th January 2021
by video conference**

Present:	D Murray (chair)	
	G Cook	(from item 1339)
	H Eastman	(from item 1338)
	K Ferguson	
	W Hung	
	A Livsey	
	M Lonergan	
	F Lundie	
	L Matthews	
	T Nuding	
	K Kosmopoulou	
	H Thomas	(from item 1338)
D Zahn		
Attending:	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 (Chadwick Corporate Consulting)	
	G Collet	(items 1334 to 1339 only)
	M Watts	(items 1334 to 1339 only)
A Burton	(item 1342 only)	

- 1334 Apologies for absence**
Apologies for absence had been received from Gillian Elcock.
- 1335 Declarations of interest**
The register of directors' interests was noted. The annual review and update of the register of directors' interests was currently being carried out. The updated register would be available at the next meeting.
- 1336 Minutes of previous meetings**
The minutes of the board meeting held on 24th November 2020 and the management committee meeting held on 15th December 2020 were reviewed and approved as accurate records for signature. The minutes of the AGM held on 24th November 2020 were also reviewed.
- 1337 Matters arising**
The matters arising report was reviewed and noted.
- 1338 Volunteer steering committee report**
The update report of the volunteer steering committee was reviewed and noted. The implementation stage of the volunteer governance document had been executed and the positive impact upon the volunteer experience was noted. There had been a significant rise in volunteer engagement, particularly through the CFA UK Connect platform where volunteers had been able to interact effectively online throughout the pandemic.

The next stage of the process was discussed and it was verbally proposed that either a volunteer steering committee working group or member of the staffed office take on the responsibility of governance of the volunteers' day to day activity and communication.

It was noted that the volunteer steering committee wished to continue enhancing the volunteer experience following the hard work that had already been undertaken. Ways to strengthen links and improve communication between volunteers, committees and the board would be given further consideration. In particular, the volunteer steering committee lacked board representation and appointment of a board link person could be beneficial.

The board was supportive that governance of the volunteer experience should be overseen by a volunteer steering committee working group rather than the staffed office.

The volunteer steering committee was thanked for its hard work and success so far. The surge in SIG engagement was noted and attributed to the influence and efforts of the staffed office.

1339 **ESG certificate IP acquisition and collaboration agreement with CFAI**

The final version of the contract agreed with CFA Institute for the IP acquisition and collaboration agreement in relation to the ESG certificate was reviewed and discussed.

The resources required for the society to discharge its obligations for globalisation of the ESG certificate, as well as its regular business, were queried. It was confirmed that staffing levels were generally adequate and approved plans to recruit additional staff were being implemented. Temporary resources could be made permanent if demand for qualifications remained high.

The question of responsibility for insurance cover relating to the certificate was raised. It was agreed that suitable insurance options would be explored and, if appropriate, would be included as a schedule to the main contract.

It was confirmed that it was not anticipated that any significant changes would be made to the ESG certificate syllabus in the next two to three years. The Institute had completed full due diligence of the curriculum and was satisfied with it.

Timing of the operational transfer remained fluid according to satisfaction of certain operational conditions.

After due and careful consideration, the board approved the agreement and IT WAS RESOLVED that, subject to the potential addition of an insurance appendix (if thought to be required) the chair be authorised to sign the IP acquisition and collaboration agreement and such other documentation on behalf of the society as may be required to proceed with the ESG certificate agreement with CFA Institute.

1340 **Board matters**

i. Strategic objectives

The strategic objectives paper was reviewed and noted. The proposed framework was considered a work in progress to be developed over the next couple of months and used as the basis for the strategy meeting in April 2021.

The wider goals of the society, the five 'E's', were discussed and broadly supported. The terminology of the objectives was suggested to be further refined but the three-level strategic framework that had been proposed was accepted.

Suggestions were made to develop a strategic decision flow chart and to integrate ESG and inclusion and diversity considerations into all objectives. It was noted that the newly formed sustainability working group would be ready to report to the board at the strategy meeting.

Caution was expressed about the challenge of differentiating strategic ambitions in the three-to-five-year range from short term strategic plans. It was suggested that specific measurable KPIs should be set to monitor progress and that the current strategy should be recirculated to provide context for the meeting.

ii. Nominating committee

The nominating committee membership was proposed to comprise Alan Livsey, Gillian Elcock and Helen Thomas together with Gerry Fowler, as chair, and Lucy MacDonald as the independent member.

The committee membership was approved.

The directors who had expressed an interest in officer roles were noted to be Lindsey Matthews as chair, Tim Nuding as vice chair and Hilary Eastman as treasurer. Since only one expression of interest per role had been received, they would be put to the nominating committee for consideration. The proposed officers would shadow the current officers for the remainder of their terms.

1341 Inclusion and diversity network committee report

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

It was noted that the society was receiving lots of positive feedback in relation to the inclusion and diversity initiatives which re-enforced the importance of it being integral to all society activity and the need for it to be woven through the strategy.

The committee had agreed a short-term strategy to refine and expand the initiatives that had already been established and an annual activity plan had been developed on that basis. A longer-term plan to include wider inclusion and diversity issues was being developed.

The main focus was network engagement, which was constantly gaining momentum, even from non-CFA UK members, which also indicated the importance of the topic.

The level of support required from the staffed office was discussed and it was confirmed that, as the focus of the group widened, additional support from the staffed office would likely be required but resource was sufficient at this time.

1342 Professionalism steering committee

The professionalism steering committee report was taken as read and noted. A presentation was made to the meeting which set out the committee's objectives for 2020/21. The PSC working group update was also presented and provided an overview of the current projects in progress.

The procedure followed by the PSC when publishing a paper or consultation response was discussed. It was noted that, where time allowed, the PSC conducted member surveys and took account of all feedback received using it to capture differing views within papers. The publication approval process, including rigorous reviews by the committee, gate keeper and often the CEO, was discussed in the context of concern that the views expressed in some papers could, potentially, conflict with the board's position.

It was agreed that both the board and the PSC would welcome more collaboration and communication between both parties and ways to improve that would be discussed with the board chair, chief executive, and the chair and staff representative of the PSC outside of the meeting. Proposals of how to proceed would be brought back to the board meeting in March.

1343 Chief executive's summary

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

i. Staffed office succession planning

The staffed office succession planning papers were reviewed and noted.

The proposed split of the CEO role between CEO and COO as a temporary replacement measure, if required, was discussed. It was considered by management that a permanent re-organisation of the society to introduce a COO role would be beneficial but that no change should be made until the team returned to the office. Initial plans would be developed and presented to the board later in the year for review.

It was clarified that any use of the external auditor would be for advice only, in a way that would not compromise auditor independence.

ii. IT update

The IT update slides and additional paper that had been circulated separately were reviewed and noted. The new IT project dashboard was noted and feedback was requested regarding any amendments that could be made to the dashboard.

Phase 1a of the project was progressing well and plans for data migration to the new CRM would be discussed with the IT committee.

The re-write of 'shop' and delivery of the e-commerce capability, required for the ESG globalisation roll out, had been slightly delayed and was planned for delivery on 8th February 2021 rather than 1st February 2021.

Additional funding was requested for the project in the current financial year. The funding would cover project management support and higher Phase 1b costs, both of which had been reviewed by the IT committee and had been recommended for approval. The additional funding was approved.

iii. Careers outreach consultant update

The careers outreach consultant update was reviewed and noted. It was confirmed that the two agencies had been carrying out research and the initial emerging key findings, which enhanced the staffed office's understanding of priorities for members, were summarised. The full findings report would be brought back to the strategy meeting in April 2021.

iv. CFA UK professional learning plan

The report outlining the performance of CFA UK Discover professional learning platform was reviewed and noted. Despite a large catalogue of content, the active user rates had been declining since August 2020 although there were some signs that the decline in returning users might be reversing. A series of tests would be conducted over the next six months to establish the reasons behind the decline and effectiveness of mitigating actions.

Two factors that had been detrimental to the take up and continued use of the platform had been identified as the separate password sign-on to the system and the inability to record CPD on the system.

Specific learnings about the more successful formats of content would be passed on to the content steering committee.

v. Climate certificate

The analyses provided in the pack to highlight the differences between the planned climate certificate and both the ESG certificate and the GARP Sustainability and Climate Risk certificate were reviewed and noted.

Progress of the development of the learning materials was continuing well and remained on track for a potential pilot launch before COP26.

1344 Finance report, management accounts and KPIs

The finance report, management accounts and KPIs were taken as read and noted.

The operating surplus for the first half of the year to 31st December 2020 was £983k driven largely by additional £630k of ESG certificate revenue, relative to the same period in the prior year. A reduction of direct costs of £318k, including a £156k saving due to not running physical events, had also contributed.

It was noted that reserves were at record levels.

A re-forecast would be completed and would be used in reporting for January 2021 onwards.

1345 Any other business

i. Investment committee report

The semi-annual investment committee report was taken as read and noted.

It was confirmed that targets for the investment portfolio over three to seven years had been exceeded whilst remaining within the mandated risk range. The investment management was considered to be very successful, particularly during a period of difficult market conditions.

ii. Action against Charlie Cruz

At the previous meeting the board had delegated authority to any of the officers to sign particulars of claim papers in relation to the action against Charlie Cruz. It was requested that the chief executive also be authorised to sign any relevant papers. After due and careful consideration, the board approved the proposal and IT WAS RESOLVED that the chief executive be authorised to sign the particulars of claim and such other documentation as may be required to proceed with the claim against Charlie Cruz.

1346 Date of next meeting

It was noted that the strategy meeting originally planned for 16th March 2021 would be postponed until Tuesday 20th April 2021 at 3.00pm when it was hoped that meeting could be held in person. Therefore, a regular board meeting would be held remotely on Tuesday 16th March 2021 at 5.00pm. The calendar invitations would be updated.

There being no other business, the meeting was closed at 7.49 p.m.

4th Floor, Minster House
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Signed: _____

Dated: _____