

**Minutes of a Meeting of the Board of the
CFA Society of the UK held at 5.30pm on
Tuesday 22nd January 2019 at
EFG Asset Management, Leconfield House, Curzon Street, London W1J 5JB**

Present:	D Murray	(chair)
	M Bailey	(to item 1211)
	G Cook	(by telephone – to item 1210)
	H Eastman	(by telephone)
	G Elcock	
	A Livsey	
	M Lonergan	
	F Lundie	
	T Nuding	
	H Thomas	
	S Wackerle	
In attendance:	W Goodhart	(chief executive)
	C Curtin	(head of qualifications)
	V French	(director of finance & operations)
	A Ramsay	(director of member services)
	B Barber	(company secretary)
	L Gracie	(by telephone)
	G Collett	(chairman of volunteer steering committee - item 1211 only)
	M Watts	(vice chair of volunteer steering committee - item 1211 only)

1206 Apologies for absence

Apologies for absence were noted from Lindsey Matthews and David Zahn.

1207 Minutes of previous meetings

The minutes of the board meeting held on 27th November 2018 were reviewed and approved as an accurate record for signature. The minutes of the management committee held on 18th December 2018 were reviewed.

1208 Matters arising

The report on matters arising from meetings held on or prior to 18th December 2018 was noted.

1209 Board matters

i. Appointment and remit of the governance review working group

It was agreed that the working group be comprised of David Zahn, as chair, Hilary Eastman, Marshall Bailey and Peter Montagnon, who had confirmed his participation.

It was reported that the first meeting of the working group would be scheduled during February 2019 and an independent consultant would be recruited to carry out the governance review. The estimated cost for the consultant's fees was approved.

It was discussed that the role of the committee was to assist, facilitate, oversee and challenge the consultant to ensure that a thorough review of governance was conducted. It was expected that a report would be produced with findings and recommendations for the review by the board.

It was anticipated that the review would begin by the end of March 2019. It was thought that the majority of the work would be conducted during summer 2019, with the report being provided for board approval in September in order that any necessary special resolutions can be proposed to and approved by members at the AGM. It was anticipated that the board's work to respond to the working group proposals would be led by Tim Nuding, whose early thoughts had already been summarised in a note circulated to the board.

ii. Splitting the content and networks steering committee

Board approval was given to the splitting of the content and networks committee. It was agreed that Alan Livsey would chair the content steering committee and Gillian Elcock would chair the networks steering committee.

It was noted that a conference call meeting of the current committee had been arranged for 28th January 2019 to advise the members of the change in structure. Once that had taken place, a recruitment process would commence for volunteers to support the work of the new committees.

iii. Nominations committee

A verbal update on the nominations committee meeting held on 18th January 2019 was provided. The committee had reviewed the applications and interview notes from the recruitment process of 2018 and identified two preferred candidates based on criteria of diversity, their ability to contribute to the board within the short period during which potentially they might serve, and the speed with which they could be appointed. Those two members were now being invited to interview and the interviews were expected to be conducted in early February. A further nominations committee call had been scheduled on Monday 18th February 2019 to discuss the outcomes of the interviews and decide which candidate would be recommended to the board. It was anticipated that board approval of the appointment would be requested shortly after by email, which would mean the new board member would be able to attend the March strategy meeting and possibly the February management committee meeting.

iv. Strategy board meeting

The strategy board meeting was due to be held in March 2019. Opinions were canvassed in relation to the structure of the meeting. It was suggested that an industry professional could be invited to provide a presentation to highlight the key risks and challenges that related to the industry, in particular to the society, and that a facilitator be employed for the meeting. The structure, ideas and topics were discussed at length. The general consensus of the board was that an industry presentation was not a requirement but that a meeting facilitator would be beneficial. The structure of working in small groups to propose objectives, targets and critique potential outputs was supported. However, it was suggested that care should be taken to avoid trying to cover too much in the time available and that concentrating on fewer key areas would prove to be more productive. It was also suggested to add a fourth group to the structure which would identify how to achieve the objectives. Key topic areas were suggested as member interaction, identifying risks and the risk register and revenue generation.

It was agreed that some preparation by board members in advance of the meeting would be beneficial.

1210 **Chief executive's report**

The report of the Chief executive was presented and discussed as follows:

i. FCA Letter

An advisory letter from the FCA dated 10th January 2019 was discussed. The letter described FCA concerns about potentially anti-competitive behaviour in respect of the recognition of prior achievements

in the provision of Statement of Professional Standing. It was confirmed that it was not the case that the society would cease to recognise prior achievement however, it would be withdrawing from provision of gapfill in 2019. It was believed that the FCA had conflated the provision of gapfill and recognition of prior learning. A letter in response had been drafted and circulated to the board. The board were supportive of the draft response, with some additional comments to be added. The board were mindful that they wanted to maintain a positive relationship with the FCA and also that the correspondence may provide an opportunity to open dialogue in respect of the FCA's accreditation provision.

ii. Ethical Leadership Programme

The continuation of the current ethical leadership programme was discussed. It was reported that the programme was a good attribute and important tool in promoting ethical positivity within the industry, however the running of the programme had made a loss. It was agreed that the programme for this year should ideally go ahead but that a final decision should be made based on confirmed numbers by the 8th February 2019. The format should be reviewed and changed for future years to make the course more affordable and accessible.

iii. ESG certificate

An update was provided relating to the ESG certificate. A meeting had been arranged for later in the week with an alternative platform provider to discuss the digital delivery of the learning materials which were on track to be ready for April. The pricing of the certificate had been set by reference to the IMC and competitor products. The certificate was anticipated to require in the region of 130 hours of learning. Enquiries had been received for the pilot and promotion to firms and candidates was commencing. It was suggested that a promotional discount linked to the IMC should be considered.

iv. Competency Framework

An update on the competency framework was provided. CFA Institute funding was noted. Preparations were continuing in line with plan, with a soft launch anticipated in May 2019 followed by a full launch in September 2019.

v. CFA Institute annual conference

The update relating to the conference was noted. Sales were continuing to do well. It was reported that HRH the Prince of Wales would be providing a video message around the theme of climate change. Day passes would be offered.

vi. IT

The progress report on the IT project was noted.

vii. XL societies' meetings

The report on the XL societies' meetings was noted.

viii. CFA UK story bible

The draft story bible created by PR agency, Ogilvy, was noted.

1211 Volunteer steering committee terms of reference

Greg Collett and Mark Watts were welcomed to the meeting. They presented the VSC governance document which outlined terms of reference for the volunteer steering committee, including strategic goals and plans, as well as the society volunteer experience. After discussion, the VSC governance document, which was welcomed as a positive step for roll out to the committees, was approved by the board subject to some minor amendments discussed.

It was suggested that the motivation of volunteers might be discussed at the strategy meeting.

Thanks for the effort and work carried out by Greg and Mark and the other volunteers were expressed by the board.

1212 Management accounts and KPI's

The management accounts and KPI's were noted. It was noted that cash levels were currently in excess of the operating reserves policy following a reduction of requirement to hold funds to cover three, rather than six, months' operating costs. It was planned that £500k would be moved out of cash to investment reserves at the forthcoming re-forecast with further sums to follow.

The growth in membership in relation to successful CFA level 3 candidates was discussed. Further analysis was required to understand this in full. The proportion of candidates transferring to membership had remained relatively stable over a considerable period.

The reduction in operating surplus once CFA Institute funding was discounted and the risk of that funding being reduced was queried. It was confirmed that the risk of a reduction in Institute funding levels was considered to be low.

1213 Any other business

There was no other business.

1214 Date of next meeting

The next board and strategy meeting would be held on Tuesday 19th March 2019 at 3.00pm at Macquarie 28 Ropemaker Street, London, EC2Y 9HD.

The next management committee meeting would be held on Tuesday 26th February 2019 at 5.30pm at CFA UK, 4th Floor, Minster House, Mincing Lane, London EC3R 7AE.

There being no other business, the meeting was closed at 7.40pm.

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

Signed:.....

Dated:.....