

The Advisory Board

SINCE ITS FIRST MEETING IN JANUARY 2003 THE ACT ADVISORY BOARD HAS COME TO PLAY A CRUCIAL PART IN THE ACT'S STRATEGIC THINKING. BOARD MEMBERS PAUL SPENCER, CHAIRMAN, AND ALASTAIR CLARK TELL **JENNIFER CARRUTH** WHAT THE ADVISORY BOARD AIMS TO ACHIEVE.

In 2001 the ACT reviewed its governance and recognised the role of an advisory board in its new approach. The ACT's past President, Paul Spencer, worked with Chief Executive Richard Raeburn in creating the Advisory Board structure and inviting people to join. The final structure of the Advisory Board was determined by the Council. Spencer described it as a "sensible joint methodology".

The original intention of the Advisory Board was to enable senior people who had differing roles across the spectrum of the City and some background of interest in the ACT to interact with the organisation. The expectation was that the ACT would be helped strategically in the broadest sense and without diminishing the key role of its Council. As Chairman, Spencer invites members to join the Advisory Board after input from the President and the Chief Executive.

While the Board provides the ACT senior officers and Chief Executive with a broader picture of development in the governmental, regulatory, corporate and financial sectors, it in no way purports to determine the ACT's strategy, still less to interfere in operational decisions. "We typically have a pretty freewheeling discussion on a substantial issue of current interest, during which all members of the Board have a chance to express their views," says long-term Board member and former Adviser to the Governor of the Bank of England, Alastair Clark. "But the aim is not to try to tell the

ACT what to do. Rather, it is to help the ACT be alive to developments outside the areas of its mainstream activities. Responsibility for decisions rest firmly with the Council and the Executive."

As Spencer explains: "The role of the Advisory Board is not to determine or influence the policy of the ACT – that is clearly the role of the Council. In fact, the Advisory Board has no role in running the ACT at all. Its function is to create the environment where the ACT is informed about relevant issues and where it can exert influence and add its voice to the debate."

There has been no doubt that in the last five years the Board has been successful in its aims. It has enhanced the reputation and prestige of the ACT and has provided a valuable forum for the senior executive team and the senior members of the Council.

For Clark, the Board's meetings have seemed an effective way of chewing over major issues affecting the environment in which treasurers operate: "Recent issues discussed have included private equity, the increasing use of derivatives and the impact of pensions on development in company analysis. On the Board we have a good set of people with a great variety of different backgrounds in the corporate, financial and governmental areas."

As well as the discussion group the Chairman invites guest speakers – after discussion with Board members, principal office holders and the Chief Executive – and these guest speakers spark interesting and useful discussion. Spencer says: "Recent examples of the high calibre of speaker include Stephen Timms MP, who spoke to one Advisory Board meeting when he was the Pensions Minister, and Sir Christopher Hogg, Chairman of the Financial Reporting Council [FRC]. The Advisory Board meetings also afford an opportunity for the ACT to raise issues with the Board where it would like the Board's advice and input."

Asked if the Board worked well, Clark said: "[Its] meetings invariably produce a good discussion and I hope some useful insights for the ACT. But obviously the acid test is whether the Council and Executive find the Board's input useful."

Spencer adds: "Members of the Advisory Board have also helped the ACT in different ways across the years, notably with input into the technical policy area and events and conferences."

Nor is it without its perks. Spencer admits that he also enjoys the dinners which are held twice a year under Chatham House rules: "The source of the information is protected, and the confidentiality of the discussion allows for a free exchange of ideas."

While acting somewhat as a shop window for the ACT, the Advisory Board has been successful in putting the ACT in the sights of many in the City, at Westminster and in Europe and enhancing its already substantial reputation.

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ASSOCIATION OF CORPORATE TREASURERS ADVISORY BOARD

Paul Spencer	Former CEO, Royal and SunAlliance UK (ACT Past President)
Paul Boyle	Chief Executive, Financial Reporting Council
Alastair Clark	Former Adviser to the Governor, Bank of England
John Coombe	Chairman, Hogg Robinson Group
Carolyn Eadie	Partner, Spencer Stuart
Mary Keegan	Head of the Government Finance Profession, HM Treasury
Michael Kirkwood	Citi Country Officer & Head Corporate Bank UK & Ireland, Citi
Ian Plenderleith	Former Deputy Governor, South African Reserve Bank
John Plender	Leader and Feature Writer, The Financial Times
Hector Sants	Chief Executive, Financial Services Authority
Jon Symonds	Managing Director and Partner, Goldman Sachs
Tony Watson	Non-Executive Director, Vodafone Group