



**LEADING TREASURY
PROFESSIONALS**

STRICTLY PRIVATE & CONFIDENTIAL

**MINUTES OF THE COUNCIL MEETING
HELD AT 13.00 ON MONDAY 17 SEPTEMBER 2018 AT
BHP BILLITON, NOVA SOUTH, 160 VICTORIA STREET, LONDON SW1E 5LB**

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Present:
Kerry Attwell Thomas
David Brent
Ian Chisholm (Chair)
Agnes Favillier (by phone from item 7(ii))
Peter Goshawk
Charlotte Morgan
Dino Nicolaides

Joe Peka
Paul Reynolds (by phone)
Caroline Stockmann (up to item 9)
Peter Walker-Smith (by phone)
Paul Wilde (from item 5)

In attendance:

ACT:
Russell Akester (minutes)
Sarah Boyce, Associate Director, Policy &
Technical (items 1 to 6)
Anne Hogarth, Director of Marketing &
Communications (items 1 to 6)
Ria Robinson, Director of Membership &
Governance

P&T Advisory Panel chair:
Alison Stevens (item 6(ii))

Underlined sections to be removed and marked 'confidential' before posting on website (member access only)

1.	Apologies for absence Rob Alexander, Neil Wadey
2.	Potential conflicts of interest On-going conflicts of interest (noted in the minutes for as long as potential conflict exists): KAT- potential conflict arising from his role as MCT tutor In June 2017, Council authorised the conflict in accordance with the Rules with the condition that KAT could contribute to discussions about the review of MCT (or any other issue in which he had a potential conflict due to his role as an MCT tutor) but that he could not be counted in the quorum or vote on any decisions or approvals arising from those discussions. Also, whenever the Council agenda included a matter in which KAT had a potential conflict due to his role as MCT tutor, as a standing matter, KAT would always be asked to leave the room after initial discussion so that Council could talk further without him being present. Any other potential conflicts of interest: None
3.	Minutes i) Council meeting 5 June 2018 – approved. ii) Council call 12 July 2018 – noted.

	<p>iii) Committee meeting minutes: ARAC 24 May & 4 Sept 2018), East Africa Treasury Network (25 June & 7 Sept 2018), Membership Advisory Panel (13 June 2018), Middle East (11 July & 12 Sept 2018), Policy & Technical (11 April & 13 June 2018) – all noted.</p>
4.	<p>Matters arising (RR) Noted Apprenticeships – RR updated Council on progress made to date. <u>Confidential</u> ACTION: Council to be kept informed of progress (RR)</p>
5.	<p>Chief Executive's report (CAS) Noted <u>Confidential</u></p>
6.	<p>Strategic updates</p> <p>(i) Marketing update – 40th anniversary (AH) Council welcomed AH, ACT's new Director of Marketing & Communications. AH provided a brief presentation (circulated with these minutes) on our 40th anniversary plans including what we wanted to achieve, approach, new 40th anniversary "ruby" logo and strapline: "Celebrating 40 years of engaging treasurers", content to be created and calendar highlights. AH sought Council's input:</p> <ul style="list-style-type: none"> • Good to embed the celebrations across the year and integrate into existing plans. • Is the new logo just for 2019? Yes. AH will produce guidelines which will cover when it is appropriate for the logo to replace the existing logo. • CAS noted that we may want to review the existing ACT strapline in due course but not yet discussed and was agreed this is a good opportunity to segue into something for the next period. • Idea: could we involve ACT charity of the year into plans? – can investigate. • Idea: Spring papers – consider reinstating. • Idea: "40 ways to improve, 40 ways Etc. • KAT did not think a paper calendar was a good idea. <p>ACTION: Consider input and take plans forward. Council to be kept informed of progress (AH)</p> <p>(ii) Policy & Technical (SB) AS joined by phone for this item. SB noted that P&T represents a USP for the ACT and she wanted to explore how we can make the most of it and demonstrate its continuing relevance to members – relevance to members and potential members being one of our key risk items (risk item 3). The P&T workplan is focussed on our Inform and Influence agenda and our work with regulators (Influence) has been very effective but takes up a lot of time. The reduction in in-house P&T resource in the last couple of years, the increasing volume of regulation and important developments such as LIBOR and Brexit has necessitated a more reactive approach but still much has been achieved with the support of the P&T advisory panel and volunteer members like CM and NW. Additional resource for the team is now in place (Naresh Aggarwal joins 3 days per week on 24 September) and so going forward a more proactive approach should be possible. SB sought Council's input:</p> <ul style="list-style-type: none"> • CM noted that Andrew Bailey, FCA, valued ACT's input. CM also agreed that a lot had been achieved, particularly with the involvement of members. We should aim to reflect the views of the membership as much as possible and we were now better at that than in the past. • IC asked how we form views to be a thought leader and SB explained that we talk to a lot of people to canvass their opinion eg Treasurers' Forum, talking to members at events, talking to banks / other FIs etc. • We strive to take a measured position and not to take a political view. AS noted that submissions to consultations are drafted by the P&T team with input and then reviewed by members of the P&T advisory panel. It is an iterative process in landing at the ACT's position.

- SB commented that treasurers we speak to are self-selecting and getting engagement can be a challenge. We don't expect a response to everything from members of the Treasurers' Forum, only if the subject matter is relevant to them.
- KAT questioned who the audience was and thought "we were being wagged by the regulation dog". He also thought that we might overblow problems as generally treasurers take what they get and adapt.
- In terms of audience, there was support from some Council members for this to include smaller companies (FTSE250) who may need our support more than big companies whose focus tends to be narrower. KAT mentioned the reference in the papers (MAP minutes) to the mid-cap working group that RR was planning to set up to review resources of value to smaller company treasurers.
- Establishing a queries helpline was suggested. SB said that the P&T team already manage an email helpline but thought would be given to using a group of treasurer volunteers to help support this.
- Looking at the scope of the treasurer's role, are there any gaps in P&T coverage? Previously had identified payments / cash management but this is now addressed with the additional P&T resource.
- PG suggested it would be good to see the notable achievements in influencing the public agenda in the last 40 years. Also, we could ask the questions: "What will a treasurer be doing in 2029?" and "What can we do to help equip members for that?"
- PW noted that P&T take the sharp edges off issues such as LIBOR reform which is much appreciated. He also asked what other regulatory changes treasurers would like us to look at and if focus groups would help us identify them? CAS mentioned the Business of Treasury research which included personal interviews to help identify hot topics for treasurers.
- SB concluded that thought leadership was aspirational and that in the meantime, 'influence and inform' was very important for members.

ACTION: Council members to provide any further thoughts directly to the P&T team (Council members)

7.	<p>ARAC's Report to Council (PG)</p> <p>(i) Review of accounting policy: asset depreciation / amortisation rates (CAS) The revised policy had been reviewed by ARAC who recommended its approval.</p> <p>Council considered the revised policy. Clarification was sought and provided as follows:</p> <ul style="list-style-type: none"> • The proposed new rate of 20% (or 5 years) fairly matches the useful lives of all new assets (tangible and intangible). • Major overhauls of the qualifications (development costs are intangible assets) do not take place more frequently than every 5 years. Annual technical revisions are written off in the year. • CRM and website are not replaced more than every 5 years. • The new policy would only apply for assets capitalised from January 2019 so as not to appear to be cosmetically improving the 2018 results, which is not the reason for the change. • KAT questioned whether an annual impairment review was undertaken, and CAS explained that it was only done where appropriate. Discussion ensued as to requirements. <p>Council approved the policy subject to an annual impairment review being undertaken.</p> <p>[Post meeting note: confirmed that whilst an assessment should be carried out at each reporting date of whether any indications exist as to whether an asset may have impaired, an actual impairment review involving the estimation of the assets recoverable amount compared to its carrying amount need only be done if an indication of impairment has firstly been identified. Typical indications of impairment for assets held by ACT would be evidence of damage, obsolescence or changes in plans for usage of tangible assets or changes in assumptions regarding the commercial viability and / or profitability of new qualifications where development costs have been capitalised as an Intangible Asset. The ACT reviews its fixed assets and any indications of impairment as part of its year end accounting process].</p> <p>(ii) Reserves policy (CAS)</p> <p><i>Confidential</i></p> <p>The policy would remain unchanged for the 2018 year-end and any follow-up to be agreed between IC and CAS.</p> <p>(iii) Financial control framework (CAS) This item was also discussed at item 5, Chief Executive's report (see above).</p>
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	<p>KAT commented as follows:</p> <ul style="list-style-type: none"> • Someone other than the CFO should review bank reconciliations. CAS noted that someone else prepares and the CFO reviews so there is segregation of duties. CAS asks to receive status report to check that it has been done. IC said he agreed with the process in place. • Raising a PO for staff expenses after they were spent was pointless. CAS noted that the PO ensures the expense gets onto the system, and that with the nature of expenses it would not be practical to raise POs in the system beforehand. Of course staff get approval beforehand from managers for any spend. <p>(iv) Data protection (RR) Noted.</p> <p>(v) Governance (RR): (a) Desirable skills and attributes for Council RR explained that the paper had been prepared to help inform Council's skills mapping exercise in December and the subsequent Council elections and co-option process.</p> <p>On diversity, KAT commented that young people were important but we should recognise that they have less experience. He also didn't think it was necessary for Council to reflect the number of bankers in membership as we are <u>primarily</u> a body for corporate treasurers (<u>which would include bank treasurers</u>) and banks give us money to subsidise corporate activity. This view was not supported by some other Council members and RR pointed out that bank members are individually very engaged and active in supporting ACT activities. PG felt that we should recognise that two-thirds of our members are not corporates and they do not have a lesser form of membership.</p> <p>It was also noted that the diversity stats had been provided as a guide and that some current Council members, although not currently in bank roles, did have banking experience.</p> <p>Council approved the co-option of Rob Alexander for a further term through to 30 April 2020.</p> <p>(b) Appointment of next Vice President – update The paper had been provided for information and set out the current status of Council and known changes at 1 May 2019. ARAC had started to consider the appointment of the next Vice President and a recommendation would be made to Council at its meeting in December.</p> <p>(c) ARAC terms of reference KAT commented that he found it difficult to understand what changes had been made to the existing terms. RR said that the changes were all described in the paper but would provide KAT with a mark-up version of the terms. ACTION: Send KAT mark-up version of the ARAC Terms of Reference (RR) – done</p> <p>Council approved the updated ARAC Terms of Reference.</p>
8.	<p>Finance Director's report (CAS)</p> <p>(i) Management accounts This had been discussed at item 5, Chief Executive's report (see above).</p> <p><u>Confidential</u></p> <p>Council agreed that a waterfall analysis reconciling 2018 forecast to 2019 budget would be useful and this should be more granular than that produced last year. The Exec team asked if Council members could feed in as to what they were expecting, given positive feedback last year, and bearing in mind the governance role.</p> <p>IC and PG thanked the team for the good paper and that it was available early to allow for further consideration at Planning Day.</p> <p>Council approved the budget in principle.</p> <p>ACTION: One hour to be allocated at Planning Day for discussion of updated forecast, budget and waterfall analysis (CAS).</p>
9.	<u>Confidential</u>

10.	Any other business <u>Confidential</u>
11.	Next Meeting: <ul style="list-style-type: none"> i) Planning Day: 10.00 to 17.00 Tuesday 6 November 2018, BHP Billiton, Nova South, 160 Victoria Street, London SW1E 5LB ii) Council meeting: 14.30 to 17.30 Thursday 13 December 2018, CBI, Cannon Place, 78 Cannon Street, London EC4N 6HN
12.	Closed sessions: <ul style="list-style-type: none"> (i) Council and Chief Executive only – not held, as meeting had overrun (ii) Council only – not minuted (iii) Council and Chief Executive but excluding KAT and any other conflicted members of Council (if any others) – not held as meeting had overrun