

MINUTES OF UKEF BOARD MEETING – 20 APRIL 2017

Present: Noel Harwerth (Chair) Justin Manson Item 3 – Gordon Welsh
Sir Eric Peacock Emily Ashwell Items 4 and 5 – James Pfeffer
Amin Mawji (UKGI)
Lawrence Weiss David Havelock Item 6 – Bhaskar Dasgupta,
Louis Taylor Cameron Fox (b) (6)

Apologies: Oliver Peterken Item 7 – Bhaskar Dasgupta,
Catherine Raines Tony Haberfield

Secretary: (b) (6)

1. CEO's update

- 1.1. The CEO provided his monthly update to the Board, which covered recent developments in UKEF's business, marketing and communications, international relations and recruitment. The CEO outlined UKEF's positive year-end performance, given the dearth of applications for support from aerospace.
- 1.2. The Board discussed the implications of the snap general election after Parliament voted in favour of the Prime Minister's request for an early election on 8 June 2017. The CEO outlined the functioning of 'purdah', including postponing UKEF's planned announcements. The Chair emphasised the need for UKEF to continue to serve its customers during this period.
- 1.3. The Board discussed the substantial amount of recruitment that UKEF is currently carrying out including plans for international representation. The Board enquired about plans for on-boarding new staff and steps being taken to increase the number of female candidates applying for roles and their representation in senior positions in UKEF. The Board considered the capacity of the Credit Risk and Business groups to handle expected volumes of activity, and the operational flexibility brought about by changes to structure and the influx of both experienced professionals and new starters.

2. Draft Minutes and Actions Log of 22 March 2017 Meeting

- 2.1. The Board cleared the actions and minutes of the previous meeting of the Board in March, subject to a correction to the names of those who attended the meeting.

3. Business Performance Update

- 3.1. The Board received an update on UKEF's business pipeline from the Head of the Business Group who explained the format of a new dashboard designed to outline UKEF's forecast business. This completed an action from the previous meeting to improve the forecast report. The Board agreed that the dashboard should only illustrate the mature pipeline and provided comments on further tailoring the business forecast. The Chair entreated DIT to complete the High Value Campaign grid.
- 3.2. The Head of the Business Group discussed the strong representation of construction companies in UKEF's pipeline business and a decline in demand for bond guarantees in the past financial year.
- 3.3. The Chief Risk Officer presented a new dashboard on behalf of the Credit Risk Group depicting monthly key performance indicators covering UKEF's exposure, credit profile and portfolio.

4. Board Terms of Reference and Board Operating Framework

- 4.1. The Board reviewed an updated terms of reference and operating framework for the Board in line with requirements to renew the documents annually.
- 4.2. The Board discussed the principles underpinning the role of the Board, including its advisory status, the support it provides to the Accounting Officer in fulfilling his responsibilities, and the Chair of the Board's recourse to raise concerns directly with Ministers.
- 4.3. The Board requested that the terms of reference include Board effectiveness as covered in the operating framework. The updated terms of reference are to be circulated to Board members through written procedure before the Board next meets on 22 May 2017.

5. New Audit Committee and Risk Committee Terms of Reference

- 5.1. The Board considered terms of reference for new, separate committees for audit and risk, and discussed the division of responsibilities between the two committees. The Board agreed to the separation of the Audit and Risk Committee.
- 5.2. The Board discussed the need for both committees to be aware of each other's business. It therefore agreed that papers on audit and risk be circulated to both committees and be taken as read where not directly applicable to that committee.
- 5.3. The Board asked that further changes be made to the terms of reference, including the standardisation of terminology and for the revised terms of reference to be circulated via written procedure before the Board next meets on 22 May 2017.
- 5.4. Additionally, the Board asked to review the terms of reference for the Remuneration Committee.

6. Annual Information Security Review

- 6.1. Bhaskar Dasgupta, the Chief Operating Officer, and [REDACTED], Head of Security, Commercial and Facilities provided a review of information security providing an overview of the Security Committee's compliance activities, improvements and future issues.
- 6.2. The Chair of the Board enquired about UKEF's security strengths and vulnerabilities. The Board then discussed how UKEF is ensuring the security of customer data as it launches new digital assets.
- 6.3. Lawrence Weiss asked for additional detail about a travel incident and plans for the replacement of information technology equipment.

7. Digital Programme Update

- 7.1. The Board received an update from Bhaskar Dasgupta and Tony Haberfield (Digital Director) on the ongoing work of the Digital Programme. Bhaskar Dasgupta explained requirements to improve customer relationship management (CRM) and the functioning of a new workflow system.
- 7.2. Tony Haberfield described the recently published Government Transformation Strategy for the benefit of the Board and how UKEF's digitally enabled transformation programme aligns with Government strategy.
- 7.3. The Board heard an update on work undertaken to identify the different personas that UKEF serves, so that UKEF's services and systems can be designed and tailored to their needs. The Board asked that the descriptions of the personas be shared with them.

8. AOB

- 8.1. David Havelock noted that the meeting was his 100th UKEF Board and the members of the Board congratulated him on this.


Chief Executive's Office