

## **Minute of UKEF Board meeting– 24 January 2024**

### **Members**

Noel Harwerth (Chair)  
Charlotte Morgan  
Jackie Keogh  
Kimberley Wiehl  
Tim Frost  
Vanessa Havard-Williams  
Candida Morley  
Niall Mackenzie  
Samir Parkash  
Tim Reid  
Cameron Fox

### **Apologies:**

None

### **Secretariat:**

[redacted]

### **Attendees:**

Dan Bowden  
Adam Harris  
Jayne Whymark  
Julia Beck  
Shane Lynch

Robert Gillespie (observer)  
Matt Barnes (observer)  
[redacted]

For items 1&2: Steven Prior (EGAC), Sarah Steele (EGAC)

For item 4: [redacted]

Item 5: [redacted]

Item 6: [redacted]

Item 7: [redacted]

### **Attendees:**

#### **1. Introduction**

1.1. The Chair welcomed Members and attendees to the meeting, in particular Robert Gillespie, the incoming Chair who observed the meeting.

#### **2. CEO and EC update**

2.1. The CEO delivered updates on key projects. Members asked about related

geopolitical sensitivities, the impacts that UKEF sought to create with its projects, and the implications of concentration risk.

2.2. The meeting were informed of the launch of a Social Mobility Network, a session on risk for senior grade staff, complex information access requests, ongoing projects and SME support, as well as announcing that two Export Finance managers would be awarded MBEs in the New Year's honours.

2.3. Members discussed ways of further advertising UKEF's services.

2.4. End of year numbers were discussed and it was noted that a paper on forecasting would be provided to the Board by written procedure shortly.

**ACTION: [redacted] to provide updated forecasting paper to the Board by written procedure.**

### **3. Draft Minutes and Actions Log of 18 December 2023 Strategy Day**

3.1. The draft minutes were approved. and the actions log discussed.

### **4. Financial Crime Risk Assessment**

4.1. [redacted], presented the Financial Crime Risk Assessment (FCRA). It was noted that Compliance Division had undertaken an annual structured FCRA considering the financial crime risk landscape in the previous financial year, the design and operating effectiveness of relevant policies, procedures and controls, and made recommendations that UKEF could implement to improve the risk and control framework.

4.2. Members were informed that this was the fourth annual FCRA. The first FCRA was undertaken by PWC to consider UKEF's risks and controls for financial crime risks relating to underwriting transactions. The subsequent three FCRA's had been supported by EY.

4.3. The Board discussed the paper and the governance around FCRA. It was agreed that progress against targets should be provided more regularly, and that quarterly updates would be provided to the Risk Committee until the actions were completed.

4.4. Members remarked on the need for heightened awareness in some jurisdictions, especially frontier markets. Compliance Division agreed on the need to have

protective measures in place and discussed UKEF's financial crime risk appetite and limits.

4.5. Members discussed the report and noted that the increase in risk between years one and two of reporting was caused by interacting with parties before transactions were formalised, as well as increases in travel expenses, gifts and hospitality as reporting had started during Covid. Members enquired further about the specific areas of financial risk these related to.

4.6. The Board were informed that UKEF had not gone outside of its risk appetite on any occasion [redacted].

4.7. Members of the Executive Committee present commended Compliance Division's annual training, which was contributing to the culture at UKEF.

4.8. The Board endorsed the findings, noted the recommendations and endorsed the proposal to progress with the implementation of high priority recommendations.

## **5. Sustainability Strategy**

5.1. [redacted], presented the Sustainability Strategy, explaining that it aligned with the Business Plan and would be published in April to run 2024-2029), although much of the work was already in place.

5.2. The Board commended the Strategy, especially its presentation of the development impact of UKEF's projects. Members noted that the social aspect of the Strategy was less developed than the climate aspect. Members further discussed climate metrics and their applicability to UKEF.

5.3. [redacted], updated the committee on externally developed metrics for social impact that would be applied in future. Members asked for standard definitions to be provided in relation to those metrics and questioned whether UKEF ought to be producing its own metric. In addition, the Board also discussed the rigorous governance processes that UKEF has with regard to TCFD and the amount of time spent at Board and Audit Committee level and agreed that this would be reflected in the strategy.

## **6. UKEF People Survey**

6.1. [redacted], presented the people survey, focusing on scores which had changed statistically significantly.

- 6.2. The Board heard that the score for discrimination was unchanged and the score for harassment had increased by one percentage point. They asked what was being done to remedy this and heard about the work done to create a culture where people were encouraged to speak up, as well as relevant training for line managers.
- 6.3. The engagement score of 70% was highlighted. It was noted that none of the major departments had such a high engagement score.
- 6.4. Members discussed the results of hybrid working on the survey responses and noted that the People Survey had taken place just before the pan-Civil Service office working target announcement.
- 6.5. Members asked about turnover hotspots. They heard that the highest turnover was in the DDAT team and was likely driven by higher pay being offered in the private sector. Members further heard that turnover had fallen in each of the last 18 months and that lower grades and lower age groups had higher turnover. It was agreed that HR would provide more detail on turnover in the annual update to the Board to be provided in the Spring.

## **7. UKEF Security and Resilience Briefing Note (Cyber)**

- 7.1. [redacted] delivered the briefing to the Board.
- 7.2. The meeting were informed that the number of attacks that UKEF faced was very large but that the team had a tool which enabled them to identify those that needed further attention.
- 7.3. Members were informed that a simulated phishing attack had been carried out. It was noted that the cyber team's preferred response was to the reporting of any suspicious emails, and to notify the team if any malicious link had been clicked on.
- 7.4. Members asked for regular cyber metrics to be provided and it was agreed that right forum for this was the Risk Committee.
- 7.5. The relationship between the cyber security team and the DDAT team was discussed and it was noted that they regularly interacted and that in future the Director of DDAT would take over the operational management of cyber and the Director of Resources would be responsible for assurance.

## **8. EGAC Update**

8.1. Vanessa Havard-Williams, Chair of EGAC, updated the Board on a case study that EGAC had looked at earlier that week.

## **9. Committee Update**

9.1. Tim Frost, Chair of the Risk Committee, updated the Board on the key geopolitical risks UKEF needed to be aware of.

9.2. Charlotte Morgan, Chair of the Audit Committee, noted that the audit plan for the 24-25 financial year would be provided to the next Committee meeting. The AC Chair commended UKEF's new Internal Audit team, reporting that they were highly attuned to risk-based auditing.

## **10. Any Other Business**

10.1. There was no other business.

**[redacted]**

**Strategy, Sustainability and Impact Group**