



Making investment committees work

Cazenove Charities is pleased to support the Association of Chairs' new briefing: **Making board committees work**, which offers suggestions for board Chairs on getting the best from committees.

The authors have summarised their top tips for how your board Chair can contribute to the success of your investment committee:

Purpose

- 1** Create a compelling statement of how the investment committee contributes to the mission of the charity.
What is the purpose of the investment portfolio?
Are the investment objectives clearly defined and do they reflect the investment portfolio's purpose? All board and committee members should have approved the investment policy.
- 2** A formal terms of reference makes clear where authority lies. But it is also about creating focus which will help you to engage the Committee, and be useful for the board.
An unfocused committee wastes the time of its members and the charity's resources.

People

- 3** Take time to get the right people on the committee and to create expectations about their attendance and contribution. Many successful investment committees insist that meeting papers are read and digested ahead of the meeting so that limited time is focussed on discussion rather than relaying information.
- 4** Of course you want investment expertise, but what kind of experience will be helpful and complement other committee members' experience? Beware of expertise that is too narrow, out of date, or too vehemently voiced. Value the voice of the non-expert and give them

sufficient induction to be confident about speaking up.

- 5 Encourage the committee to recognise when it needs external advice and to consider how it will assure itself of the quality of that advice. Clearly define the committee's expectations of the advisers and in particular what should be covered in meetings with them to add the most value to the relationship.

Performance of the committee

- 6 Use an annual meeting between board Chair and committee Chair to review the committee's achievements in the last year and to agree key objectives for the committee for the year ahead. If necessary update the terms of reference.
- 7 Agree on when and how the work of the committee will feature on the main board agenda.
- 8 Create a culture and practice of regular review of effectiveness. Each year, review whether membership needs refreshing. Explore whether the committee Chair still has the time and commitment to serve, if not agree a plan to find a successor.

A model terms of reference for an investment committee is available at www.cazenovecharities.com

Charity Commission guidance CC14 Charities and investment is available from
www.gov.uk/government/organisations/charity-commission



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