

Chartered Banker

Professional Standards Board

Terms of Reference – Independent Monitoring Panel (the Panel)

1. Purpose

- 1.1 The Panel is an independent body monitoring the effectiveness of CB:PSB professional standards implementation by member firms, the standards monitoring process and the extent to which CB:PSB aims are being delivered.

2. Accountability and Reporting

- 2.1 The Panel is subsidiary to, and reports to, the Board.
- 2.2 The Panel will make recommendations to the CB:PSB Board within its remit, acting as a 'critical friend':
- It will comment externally on the CB:PSB's progress (on professional standards implementation and monitoring), principally via its own independent published annual report¹ and, in addition, the annual CB:PSB Progress Report.
 - It will provide constructive internal comment, challenge and advice to the CB:PSB Board on the extent to which CB:PSB aims are being delivered.
- 2.3 The Panel will not comment externally on the progress or lack of progress made by individual member firms, but refer to the CB:PSB as a collective. Internally, the Panel may refer to the progress made by individual member firms.
- 2.4 The Panel members will be bounded by a confidentiality agreement to allow sight of member firm specific monitoring outcomes (i.e. the External Progress Review findings that are shared with the Board).

3. Principal Tasks

- 3.1 The IMP will:
- Monitor member firms' commitment, resourcing and the level of importance given to the CB:PSB (via sight of the annual External Progress Review);
 - Oversee CB:PSB monitoring by the Professional Standards Team (PST); and
 - Have an internal and external reporting role.
- 3.2 Internally, the IMP will make recommendations to the Board on:
- Areas for improvement; and
 - The overall effectiveness of the delivery of CB:PSB aims; and
- 3.3 Externally, the IMP will comment via a published report on:
- The effectiveness of CB:PSB professional standards implementation by member firms, and the standards monitoring process
- 3.4 To support its principal tasks, the IMP can request evidence and research² to be carried out by the PST

¹ The aim of this published report is to help build external confidence in CB:PSB outputs. The CB:PSB Board will be given first sight of Panel reporting, prior to it being published. Panel reporting will encompass specific comment / highlight on those areas where improvement is required.

² The Panel will not have a budget. Where the Panel wished to carry out research not currently conducted by the PST or another activity with budgetary implications, a recommendation would need to be tabled at a CB:PSB Board meeting.

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4. Membership

- 4.1 The Panel will be fully independent of the banks and recognised by the public as having authority. This authority will be derived from the calibre and 'external' credibility of the Panel Chair and individual Panel members³.
- 4.2 Panel Members will be deemed independent by not being currently employed in banking.
- 4.3 The Panel will comprise the Chair and up to 5 members.
- 4.4 Members will serve for 3 years with the possibility of a further 3 year extension.
- 4.5 The IMP Chair will appoint members with the approval of the CB:PSB Board.

5. Chair

- 5.1 The Chair will be appointed by the Board and serve for 3 years with the possibility of a further 3 year extension.
- 5.2 The Chair will exercise discretion on individual IMP member appointments, ensuring the most suitable and skilled members are selected.
- 5.3 The Chair will have a 'voice' that is, sufficient authority to speak on their own or, as necessary, through the CB:PSB Board.

6. Secretary

- 6.1 The Professional Standards Team's Operations and Governance Coordinator shall act as the Secretary to the Panel.

7. Frequency of Meetings

- 7.1 The Panel shall meet in person four times per year. The Panel may transact business of a regular nature via teleconference or e-mail as required.

8. Quorum

- 8.1 The quorum necessary for the transaction of business shall be proportionate to the size of the Panel.
- 8.2 A duly convened meeting of the Panel at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Panel.

9. Minutes of Meetings

- 9.1 The Secretary shall minute the proceedings and resolutions of all Panel meetings, including the names of those present and in attendance.

10. Delegated Authority

- 10.1 The Panel has no delegated authority from the Board but has sufficient independence in order that it may effectively discharge its monitoring responsibilities.

11. Expenses

- 11.1 Panel members will be reimbursed for reasonable expenses incurred whilst attending Panel meetings and other tasks associated with the work of the CB:PSB.

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³ See Panel Chair and individual Panel member 'Person Specifications'