



FINANCE COMMITTEE

Tuesday 10 October 2017 at 10.30 a.m. in the Haldane Room,
Wilkins Building (Main Building), Gower Street, London, WC1E 6BT

MINUTES

PRESENT:

Mr Philip Sturrock (*Chair*)
Professor Michael Arthur (*President and Provost*)
Dr Andrew Gould
Professor Patrick Haggard
Ms Sarah Whitney

In attendance: Mr Andrew Grainger (Director of UCL Estates); Mr Phil Harding (Director of Finance and Business Affairs); Mr Rex Knight (Vice-Provost (Operations)); Dr Marguerite Nolan (Secretary to Finance Committee); Ms Louise O'Brien (Director of Finance, Reporting); and Professor Alan Thompson (Dean of Faculty of Brain Sciences).

Apologies for absence were received from Professor Lucie Clapp, Dame DeAnne Julius, and Mr Hamza Jamshaid.

Preliminary Formal Business

1. DECLARATION OF INTERESTS

1.1 Ms Sarah Whitney declared that she was just completing a four month consultancy project for Arcadis, an international firm of consulting engineers, which had been retained as project managers and cost consultants on the Institute of Neurology / Dementia Research Institute project.

2. FINANCE COMMITTEE TERMS OF REFERENCE, CONSTITUTION AND MEMBERSHIP FOR 2017-18 **FC 1-1 (17-18)**

2.1 **Received:** The Committee received the Terms of Reference, Constitution and updated Membership of the Finance Committee for 2017-18 at FC 1-1 (17-18).

2.2 **Noted:** It was proposed and agreed that the following items in the Terms of Reference of the Finance Committee would be reviewed and clarified:

- Paragraph 18 (a) to (g) inclusive: To ensure that these do not include any Executive responsibilities.

- Paragraph 20: To clarify the lines of communication between the Finance Committee and the Audit Committee.

- To include the current Delegated Authorisation Limit of the Finance Committee for non-pay expenditure in the Terms of Reference of the Finance Committee. It was also suggested that the limit could be reviewed in the future in relation in particular to capital projects.

2.3 It was proposed and agreed that the Terms of Reference of the Investments Committee should be reviewed to clarify the reporting lines between the Investments Committee and Finance Committee/Council.

3. MINUTES OF THE PREVIOUS MEETING

3.1 **Approved:** The Committee approved the Minutes of the last meeting of the Finance Committee held on 29 June 2017.

4. MATTERS ARISING FROM THE MINUTES

FC 1-2 (17-18)

4.1 **Received:** The Committee received and noted the report on Matters Arising since the last meeting at FC 1-2 (17-18).

Matters for Discussion

5. FINANCIAL UPDATE - DRAFT YEAR-END RESULTS FOR 2016-17

FC 1-3 (17-18)

5.1 **Considered:** The Committee considered the Financial Update - draft year-end results for 2016-17 at FC 1-3 (17-18). The reported surplus was £85.4m against a forecast of £83.5m.

5.2 The Committee discussed the variances as set out in the Faculty and Divisional Performance figures in Table 2. The surplus was the result of £1.3bn income above forecast by £15m with material variances being research grants (+£19m), tuition fees (-£4m), donations (-£7m) and internal income (+£6m). The Director of Finance and Business Affairs gave feedback on the reason for the variances and the follow-up action that was being taken. It was noted that Finance and Business Affairs would be following up any significant variances with Faculties and Divisions. It was agreed to provide a breakdown of the SLMS's negative variance to members of the Finance Committee.

5.3 The Committee congratulated UCL on achieving its budget for 2016-17. It was acknowledged that the positive and negative variances as included in Table 2 represented a small percentage of the overall income and expenditure of UCL. Nevertheless, the Committee discussed the need for UCL to continuing to work on improving its forecasting in the future.

5.4 **Resolved:** The Committee noted the financial update as set out at FC 1-3 (17-18).

Other Business for Approval or Information

6. FINANCE COMMITTEE SELF-REVIEW FC 1-5 (17-18)

- 6.1 **Received:** The Committee received the Finance Committee Self-review report at FC 1-5 (17-18). In common with other standing committees reporting to Council, Finance Committee was charged with carrying out an annual self-review, and confirming to Council that this had been done.
- 6.2 As a number of new members had joined the Finance Committee this academic year and this was a retrospective review based on the last academic year, the Chair invited continuing members of the Committee to comment on the effectiveness of the Committee. The Chair advised that he would seek feedback from the new members in due course when they had attended a number of meetings of the Committee.
- 6.3 **Resolved:** The continuing members of the Committee approved the Finance Committee Self-review report at FC 1-5 (17-18) and confirmed that they were satisfied that the Finance Committee was operating effectively and that this be reported to the Council.

7. DEBT WRITE OFF FC 1-9 (17-18)

- 7.1 **Received:** The Committee received the Debt write-off report at FC 1-9 (17-18). In line with section 9.5 of UCL's Financial Regulations, this paper set out all proposed debt write-offs in excess of £10,000 for consideration and prior approval by the Finance Committee.
- 7.2 The Committee discussed the significant debt write off as set out in paragraph 2 of the report. Feedback was provided by the Director of Finance and Business Affairs. It was noted that UCL had commissioned KPMG to undertake an independent investigation into the root causes of this situation. Findings and recommendations would be presented to Audit Committee as part of the Internal Audit cycle.
- 7.3 **Resolved:**
- a) The Committee approved the Debt write-off report at FC 1-9 (17-18).
 - b) It was agreed to provide the KPMG report on the debt write-off as an item for report to the Finance Committee when it became available.

8. INSURANCE RENEWAL AND REVIEW OF INSURANCE PROCUREMENT FC 1-10 (17-18)

- 8.1 **Received:** The Committee received and noted the report on Insurance Renewal and Review of Insurance Procurement at FC 1-10 (17-18).

9. DATE OF NEXT MEETING OF THE FINANCE COMMITTEE AND AWAY DAY

- 9.1 **Noted:** That meetings of the Finance Committee would be held on the following dates in the autumn term 2017:

Monday 23 October 2017 - Away Day and Special Meeting

Tuesday 21 November 2017 - meeting at 10.30 a.m.

10. ANY OTHER BUSINESS

10.1 There was no other business discussed.