Minutes of the meeting held on Wednesday 4 October 2006.

Present: The Vice-Chancellor in the Chair, Dr Clark, Ms Coutu, Dr Dissanaike, Professor Hunter, Mr Johnston, Mr Larkum, Ms Lowther, Professor Minson, Dr Reid and Mr Thompson, with the Administrative Secretary as Secretary, the Registrary, the Director of Finance, the Academic Secretary, the Director of Estate Management and Mr Troupe.

The Vice-Chancellor welcomed Ms Sherry Coutu to the Finance Committee.

PART A: INTRODUCTORY

1. Minutes

The minutes of the meeting held on 12 July 2006 were approved.

2. Straightforward and reported business: agenda items starred as straightforward

A paper listing straightforward and reported business was received and is attached to the minutes. The Committee approved any matters for decision contained in the confirmed list of straightforward or reported business, and received the other material.

3. Future business and work plan

A proposed plan for the forthcoming academical year was received (Paper FC(06)138). The Committee noted that in addition to the items already in the plan, the financial position of the University and strategic planning would be considered in detail during the Lent Term in the light of the repopulated financial model, to provide context to the work of the Committee.

PART B: SUBSTANTIVE BUSINESS

4. Finance Committee

Membership

A paper on the membership of the Committee was received (Paper FC(06)135). The Committee:

(i) noted that Ms Coutu had been appointed to fill the vacancy arising from the resignation of Dr. Nicholls (to 31 December 2006 and then for four years);
appointed a sub-committee to consider whether additional members should be co-opted and if so who those co-optees should be.

The Committee also noted that the periods of office of members of the Committee would end on 31 December 2006. The Council would in due course be considering appointments and reappointments to the further vacancies and the nomination of a member of appointment by Grace, and the General Board would be invited to consider an appointment. It would be advisable to wait until those members were appointed in order to determine the expertise required of the co-optees. It was agreed to recommend to the Council that the terms of the members elected by the College representatives should be staggered in order to ensure some continuity of experience and expertise.

Action: Administrative Secretary

5. Financial System

The Financial System Management Committee (FSMC) Annual Report 2005-06 was received as Paper FC(06)130. Professor Malcolm Longair had stood down as Chairman after many years. The Committee expressed its gratitude. Grants billing had gone live and the ReportNet project was making steady progress. ReportNet would enable efficient and flexible reporting from CUFS, CAMSIS and CHRIS. The Committee confirmed that the FSMC should continue in its current form and under the current Terms of Reference.

6. Procurement

The annual return for 2005 was received as Paper FC(06)132.

7. University Companies
Company Secretaries

A paper proposing rationalisation of the formal company secretarial arrangements for the University companies was received as Paper FC(06)139).

The Committee noted that there would be no resource implications arising from the proposals. On the broader issue of how these companies operated and reported the Committee noted that the Memorandum of Understanding between the University and Judge Business School Executive Education Limited was close to being finalised, and would provide a model for other University companies.

The Committee agreed that the company secretarial function should be organised as follows:-
(i) the registered offices of all University companies should be The Old Schools;
(ii) the Registrary to be designated the official company secretary of all University companies (supported by the Secretariat/Finance Division);

The present “operational” company secretaries who arranged and minuted directors’ and other meetings would continue in these roles, in effect as assistant company secretaries.

The Committee also agreed that:-

(i) the model Memorandum of Understanding would be circulated when finalised; and
(ii) that an action plan for the assessment of how these companies were managed and operated would be developed in due course.

**Action:** Registrary, Director of Finance

8. Investments

(a) Chief Investment Officer

The Vice-Chancellor reported on the progress of this appointment. The next stage was to convene an appointments panel with members drawn from the Finance Committee, Investment Board and the Council. The result would be taken to the Council on 20 November 2006 for approval and appointment of the candidate. An update would be brought to the first November meeting of the Finance Committee.

**Action:** Registrary, Director of Finance

(b) Investment Performance

A preliminary report on investment performance for 2005-06 was received as Paper FC(06)137. The Director of Finance reported that:

(i) the Investment Board would look at performance in greater detail;
(ii) the Cambridge University Endowment Fund was now valued at £870m as at 31 July 2006 and there had been a 15% total return over the year in unit value. Performance against the WM Charities benchmark over the year and in the longer term remained favourable.

Vice-Chancellor
8 November 2006
Finance Committee 4 October 2006: Straightforward and reported business submitted for decision or report.

1. **Sealings**
2. **Accounts**
   *Prior Year Adjustment*

   Detailed investigation of historical costs indicated an adjustment to be made to the 1995 balance sheet as a prior-year adjustment to be made in the 2005-06 financial statements. Approved.

3. **EU Public Procurement.**

   The Committee confirmed that the University remained less than 50% publicly funded and could continue to declare itself outside the scope of the EU Regulations.

4. **Buildings Committee Minutes – 28 June 2006**
5. **Audit Committee Minutes – 13 July 2006**
6. **HEFCE – Exchequer Interest**

   The Committee approved that the University should enter into a legal agreement.

7. **Financial System Management Committee Minutes – 22 September 2006**
8. **Pensions – Summary Funding Statements of the (i) USS and (ii) CPS**

   A discussion of pensions would take place at the first November meeting of the Committee.