

FC Chair's report on
the Committee's deliberations
since the last Open Session of Council
in June 2018

Open Session Item 4 “Report by the Chair of the Finance Committee”

The Finance Committee met on the 26th of September and the 12th of December 2018, and all the Member States were represented at both meetings.

- The Committee monitored the status of payment of contributions on each occasion and on Wednesday was pleased to see that 99.8% of contributions had been paid. At Restricted Council yesterday, we got the news that Ukraine had settled the outstanding portion of its contribution, so I am in the happy position to report to you that 100% of contributions have been paid before the end of the year. In general, the status of payments was very good all through the year.
- After many years of zero-indexation, the cost variation index has started to rise once again. The main causes of this rise are the fluctuations in the €/CHF exchange rate and Geneva inflation. In September, the overall CVI for 2019 was forecast to be 1.89 %. The revised figure recommended by the FC to the Council this week was 1.83%.
- The Committee was pleased to note that the cumulative budget deficit is in line with the level forecast.
- In September, the Finance Committee was introduced to the Enterprise Management system in response to Committee’s request earlier in the year.

- In September and December, the Committee considered the Management's proposal, supported by the Staff Association, to commence the next five-yearly review process in 2019 and to conclude it with a decision by the Council in 2021, and this week it made a positive recommendation to the Council in that regard.
- At each meeting, the Finance Committee heard reports from the Audit Committee meetings and the key messages the latter wished to convey to the Council.
- Throughout the year, the Finance Committee has had regular updates from Dr Bordry and Professor Elsen on the LHC machine, experiments and computing and has expressed strong satisfaction at the excellent performance in all domains.
- This week, the Finance Committee heard a presentation by Dr Bordry, highlighting the 67% earned-value status of the LIU project, with 82% of the cost to completion committed, and the 21% earned-value status of the HL-LHC project, with 37% of the cost to completion committed.
- Finally, Over the course of its two meetings, the Finance Committee approved 43 award-of-contract proposals for a total value of 160 MCHF, including, this week, the one relating to the architectural and engineering consultancy services for the Science Gateway project.