

**London School of Hygiene and Tropical Medicine**

# **Financial Regulations**

**March 2023**

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## Further information and contact details

Finance intranet site: <https://lshtm.sharepoint.com/Services/Finance/>

Procurement intranet site: <https://lshtm.sharepoint.com/Services/Procurement/>

Research Operations intranet site: <https://lshtm.sharepoint.com/Services/Research-Operations/>

## Policy on Consultancy and outside work

[in development]

## Gifts and Hospitality guidance

[Anti Bribery Policy and Guidance on Gifts and Hospitality.pdf \(lshtm.ac.uk\)](#)

## Procurement Policy

[Procurement Policy.pdf \(lshtm.ac.uk\)](#)

## Expenses Policy

[https://www.lshtm.ac.uk/sites/default/files/Expenses\\_Policy.pdf](https://www.lshtm.ac.uk/sites/default/files/Expenses_Policy.pdf)

## Credit Card policy

[https://www.lshtm.ac.uk/sites/default/files/Credit\\_Card\\_Policy.pdf](https://www.lshtm.ac.uk/sites/default/files/Credit_Card_Policy.pdf)

## Queries: Financial Regulations and Procedures

The Deputy Finance Director can advise on issues relating to the Financial Regulations and Procedures:

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# 1. Introduction

## 1.1. Purpose

- 1.1.1. The Financial Regulations form part of LSHTM's overall internal control framework in ensuring the following:
  - LSHTM's governance responsibilities are satisfied
  - Financial probity is maintained
  - LSHTM is not exposed to unacceptable levels of risk
- 1.1.2. The main purpose of the Financial Regulations is to provide control over the totality of LSHTM's resources and to provide management with assurances that the resources are being properly applied for the achievement of [LSHTM's Strategic Plan](#).
- 1.1.3. The Financial Regulations have been developed with the aim of providing a tool for all LSHTM employees to assist in decision making when conducting activities on behalf of LSHTM.
- 1.1.4. The Financial Regulations contain the key high-level principles. The reader should gain an understanding of LSHTM's overall approach toward financial management and control. The Financial Regulations are supported by more detailed financial policies, which are referenced throughout.

## 1.2. Status

- 1.2.1. The Financial Regulations have been approved by Council on recommendation of the Finance and Development Committee. Subsequent clarifying, minor and administrative amendments to the Financial Regulations will be approved by the Finance and Development Committee on behalf of Council. The authority to execute operational changes to the detailed financial policies will be delegated to appropriate management committees. This will enable LSHTM to reflect the dynamic nature of its environment in the timeliest manner possible.
- 1.2.2. The Financial Regulations will be substantially reviewed as a minimum every three years and approved by Council.
- 1.2.3. Compliance with the Financial Regulations is compulsory for all Officers and members of staff of LSHTM. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under LSHTM's disciplinary procedures.
- 1.2.4. The LSHTM/MRC Units have finance policies and procedures which reflect local requirements, but the principles contained within these Financial Regulations are equally applicable to the Units. Where there is a conflict between these Financial Regulations and local Unit policies, then these Regulations will be regarded as the prevailing document.
- 1.2.5. It is the responsibility of the Deans, Unit Directors and heads of Central Services areas to ensure their staff understand the content of these Financial Regulations and that access to the Regulations is made available.

1.2.6. In exceptional circumstances, Council on the recommendation of the Finance and Development Committee may authorise a departure from the detailed provisions herein.

1.2.7. The Financial Regulations apply to all LSHTM's activities, including its subsidiary undertakings, and irrespective of the source of funding.

## 2. Corporate Governance

### 2.1. Roles and responsibilities

2.1.1. The roles and responsibilities for financial matters is summarised in the table below.

Council	Ultimate responsibility for LSHTM's finances, assets, property and estates, including ensuring systems of control and accountability are established and monitored. Council delegates some authority to its committees and the Director.
Council committees	Finance & Development Committee advises Council on financial strategy and policy, budget setting and financial forecasts, financial performance and capital projects. Audit and Risk Committee oversees arrangements for external and internal audit, financial control and data assurance, and risk management. Remuneration Committee reviews the performance and determines the annual remuneration of senior staff and policies related thereto. All committees make recommendations to Council on matters within their remit
Director	The 'Accountable Officer' under the Financial Memorandum between the Office for Students (OfS) and LSHTM, responsible for ensuring that funds from OfS are used only for the purposes provided. Has delegated authority from Council for the academic, corporate, financial, estate and human resource management of LSHTM.
Executive Team	Supports the Director on management and strategy issues, including matters which may have a financial impact.
Chief Operating Officer	Responsible for LSHTM's medium term financial and business planning, forecasting, budgeting and resource allocation processes; development of financial and investment strategies.
Secretary	Responsible for ensuring the effective operation of LSHTM's decision-making processes, including effective legal, planning and data governance arrangements and compliance with legal and regulatory requirements.
Finance Director	Day-to-day financial matters, including preparing annual capital and revenue budgets and financial plans; preparing accounts and management information for the monitoring and control of expenditure against budgets; preparing LSHTM's annual accounts and financial statements; ensuring LSHTM has satisfactory systems of financial control; providing professional advice on all matters relating to financial policies and procedures.
Finance Business Partner team	Preparation of, monitoring of and reporting against detailed operating and capital budgets (excluding research and other fully externally funded project activities) for Faculties and Central Service departments; providing first-line support for finance matters raised by budget holders.
Budget holders	Deans of Faculty, Unit Directors, Heads of Service, and other Budget Holders are responsible for financial control and management in their areas of responsibility.

<b>All members of staff</b>	<b><i>All members of staff should be aware of and have a general responsibility for the security of LSHTM's assets, whether physical or financial, for avoiding loss and for due economy in the use of resources.</i></b>
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## 2.2. Risk management

- 2.2.1. LSHTM acknowledges the risks inherent in its activities, and is committed to managing those risks that pose a significant threat to the achievement of its objectives and financial health.
- 2.2.2. LSHTM has in place a [risk management policy](#), including detailed procedures for managing and monitoring identified risks. The risk register is reported through management to the Audit and Risk Committee and subsequently to Council.
- 2.2.3. The principles of risk management are embedded in LSHTM's procedures at all levels. Deans of Faculty, Unit Directors and Heads of Service are responsible for risk management in their areas of responsibility.

## 2.3. Code of conduct

### 2.3.1. Bribery and Corruption

- 2.3.1.1. All staff must comply with LSHTM's [Anti-Bribery & Corruption Code of Conduct](#). Staff business conduct must comply with this regardless of where LSHTM business takes place. Staff must particularly ensure that they do not breach the [UK Bribery Act 2010](#).

### 2.3.2. Money Laundering

- 2.3.2.1. All staff must comply at all times with [Money Laundering Regulations 2017](#), the Bribery Act 2010 and all other regulations on, or related to, money laundering and related offences.

### 2.3.3. Modern slavery

- 2.3.3.1. All staff must comply at all times with the [Modern Slavery Act 2015](#). The LSHTM [Anti-Slavery and Human Trafficking Statement](#) details how LSHTM will ensure that staff act ethically and with integrity in all relationships, and use all reasonable endeavours to take action directly to influence others to ensure slavery and human trafficking is not taking place.

### 2.3.4. Fraud and irregularity

- 2.3.4.1. Suspected fraud or irregularity in LSHTM must be reported immediately in accordance with the [Anti-Fraud Policy and Response Plan](#).

## 2.4. Conflicts of interest

- 2.4.1. All staff must formally declare any potential conflicts of interest to their line manager when undertaking LSHTM business. All members of Council and its sub-committees and members of executive management should declare their interests annually, as a minimum.

2.4.2. All declarations must be made in writing and comply with the requirements stipulated in the [Conflicts of Interest Policy](#).

2.4.3. “Interest” includes financial involvement of spouses, partners, children, parents or other immediate family.

## 2.5. Receiving Gifts or Hospitality

2.5.1. The guiding principles to be followed by all members of staff must be:

- that the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
- the action of individuals acting in an official capacity should not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation.

2.5.2. The [Gifts and Hospitality Guidance](#) provides further details, including how to complete the required declarations.

## 3. Financial Management

### 3.1. Financial planning

3.1.1. The Chief Operating Officer, supported by the Finance Director, is responsible for preparing annually a rolling five-year financial plan. These plans are reviewed by the Executive Team for approval by Council on the recommendation of the Finance and Development Committee. Financial plans should be consistent with LSHTM’s strategic plan and objectives therein as approved by Council.

3.1.2. Council will, from time to time, set budget objectives for LSHTM. These will inform the Executive Team, the Chief Operating Officer and the Finance Director in preparing their more detailed financial plans.

3.1.3. Any new aspects of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time of more than an amount agreed from time to time, should be presented for approval to the Finance and Development Committee.

### 3.2. Resource allocation and budget preparation

3.2.1. Resources are allocated annually by Council on the recommendation of the Finance and Development Committee, and on the basis of the agreed financial planning objectives.

3.2.2. Finance and Development Committee are in turn informed by the detailed annual revenue and capital budget setting process, led by the Chief Operating Officer and Finance Director. Budget proposals and priorities are discussed by the Executive Team. The Executive Team recommends these budgets to Finance and Development Committee.

3.2.3. Each budget area is expected to generate its budgeted level of income from its activities and contain its expenditure within an agreed allocated budget.

3.2.4. LSHTM has capital as well as revenue resources and budgets. The capital programme includes all expenditure on land, buildings, equipment, furniture, vehicles which are

expected to have a life of more than one year and a financial value in excess of £10,000.

3.2.5. A detailed explanation of the Budgetary Processes [in development] is available separately.

## 4. Financial Control

### 4.1. Delegated authority schedule

4.1.1. No financial transaction will be processed without proper authorisation. It is the responsibility of all staff to ensure that commitments entered into are legal, reasonable and provide value for money.

4.1.2. Authorisation of transactions should be in accordance with the Delegated Authority Schedule [ANNEX A], which contains the regulations about the Committees or individuals to whom authority has been delegated. It outlines who can commit LSHTM to expenditure within approved budget limits.

4.1.3. The Delegated Authority Schedule includes regulations on:

- Budgets and general expenditure;
- Land and property;
- Procurement;
- Treasury and cash management;
- Income;
- Donations and endowments.

### 4.2. Budgetary control

4.2.1. The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively.

4.2.2. Significant departures from agreed budgetary targets must be reported immediately to the Finance Director and, if necessary, corrective action taken.

4.2.3. Budget holders are assisted in their duties by additional management information provided by the Finance Director and Finance Business Partner team. The types of management information available to different levels of management are described in the detailed Financial Reporting Procedures [in development].

4.2.4. Changes proposed to the approved budget will first be considered by the Finance and Development Committee, which will make proposals to Council, unless they fall within the delegated approval arrangements set out in the Delegated Authority Schedule.

4.2.5. During the year, the Chief Operating Officer, supported by the Finance Director, is responsible for submitting revised financial forecasts to the Finance and Development Committee for consideration before submission to Council.

4.2.6. Virements between budgets are allowable, up to the limits set out in the Delegated Authority Schedule. All virements affecting research grant income and expenditure and earmarked grants including funds for capital projects are subject to the funding or



award body regulations. Further details of the rules for virements are in the Budget Processes document [[in development](#)].

- 4.2.7. At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year. The exceptions to this are multi-year research grants and contracts, multi-year capital projects and research support accounts (also known as 'nominal accounts'). The total project budget / total balance in a research support account must not be exceeded. Further details of the financial arrangements for research support accounts are set out in the [guidance for Project Administrators](#).

#### 4.3. Income and credit control

- 4.3.1. The Finance Director is responsible for ensuring that appropriate systems are in place to enable LSHTM to receive all income to which it is entitled. This responsibility includes ensuring that systems are in operation for the timely issue of invoices, prompt collection, recording, security and banking of all income when received.
- 4.3.2. Appropriate checks must be undertaken to ensure the credit worthiness of non-student customers.
- 4.3.3. Only official LSHTM sales invoices may be used and these should be generated using LSHTM's finance or student records systems (currently Agresso and SITS respectively). Invoices should be raised in all circumstances, except where a specific exemption is agreed by the Finance Director.
- 4.3.4. The responsibility for pursuing debts rests with the Finance Director. All staff are required to provide whatever information is needed to assist this process.

##### 4.3.5. Income received

- 4.3.5.1. All monies received by departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received. Money is defined as cash, cheques, bankers' drafts, postal orders, and money orders.
- 4.3.5.2. Monies received in departments must be remitted to the Finance Department, on a daily basis or at such other interval as may be specified by the Finance Director.

##### 4.3.6. Irrecoverable debts

- 4.3.6.1. Requests to provide for or to write off individual debts in excess of £25,000 must be referred to the Finance Director for submission to the Finance & Development Committee for consideration. Debts below this level may be written off with the permission of the Finance Director.
- 4.3.6.2. Expenditure on research grants and contracts, consultancies and other externally funded projects which cannot be recovered from the sponsor will be charged back to the originating Academic Department or Faculty.

#### 4.4. Intellectual property

- 4.4.1. Certain activities undertaken by LSHTM, including research and consultancy, may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.
- 4.4.2. Intellectual property created by an LSHTM employee in the normal course of his or her duties of employment will normally belong to LSHTM.
- 4.4.3. In the event that LSHTM decides to progress with exploring the commercial exploitation of inventions and research, then the matter should proceed in accordance with LSHTM's [Intellectual Property Policy](#).

#### 4.5. Expenditure

- 4.5.1. This section does not apply to the LSHTM/MRC Units, who have their own delegated authority and approvals processes for expenditure. Further details are available from the Unit COO or Unit Head of Finance.
- 4.5.2. The Finance Director is responsible for making payment to suppliers.
- 4.5.3. Budget holders are responsible for ordering and authorising payment for purchases of goods and services. The Finance Director, acting through the Head of Procurement, is responsible for ensuring appropriate processes are followed for relevant contract awards above the thresholds shown in the [Procurement Policy](#).
- 4.5.4. Budget holders must not commit LSHTM to any expenditure without ensuring that sufficient budgeted funds are available to meet the purchase cost of goods and services.
- 4.5.5. All expenditure commitments should be authorised in line with the Delegated Authority Schedule.

##### 4.5.6. Requisitions, Purchase Orders and Invoices

- 4.5.6.1. The commitment of any expenditure of supplies, services and works must be in accordance with the [Procurement Policy](#) and other [purchasing guidance](#).
- 4.5.6.2. Official LSHTM purchase orders must be placed for the purchase of all goods and services, except those using a corporate credit card or petty cash.
- 4.5.6.3. The Procure to Pay (P2P) process has five distinct stages, all of which must be followed:
  - Raising a requisition on the finance system (currently Agresso);
  - Approving the requisition: this must be done by the appropriate budget holder;
  - Creation of a purchase order on Agresso and sending it to the supplier;
  - Recording on Agresso that the goods or services have been received; and
  - Receipt and payment of the supplier invoice by the Accounts Payable section of the Finance department.
- 4.5.6.4. To ensure full segregation of duties, three separate people are required to undertake the P2P process. These are:

- The person who initially raises the requisition;
- The person, who must be a budget holder for that account, who then approves that original requisition; and
- Payment of the invoice by the Accounts Payable section in the Finance department.

4.5.6.5. The requisition cannot be raised and approved by the same person. Self-approval is not permitted.

#### 4.5.7. Credit cards

- 4.5.7.1. Where appropriate, the Finance Director may approve the issuing of an LSHTM credit card. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action.
- 4.5.7.2. Further guidance on credit cards is contained within the [Credit Card Policy](#) and the Credit Card terms and conditions of use.
- 4.5.7.3. The LSHTM/MRC Units operate a separate card scheme and while this remains in place will follow the agreed Unit procedures for this scheme.

#### 4.5.8. Petty cash

- 4.5.8.1. The Finance Director must approve all petty cash floats. (S)he shall make available to departments such imprest floats as are necessary for the disbursement of petty cash expenses.
- 4.5.8.2. The procedures for the use and management of petty cash are set out in the Petty Cash procedure [[procedure in development](#)].
- 4.5.8.3. The LSHTM/MRC Units operate their own procedures for petty cash. The Unit Director approves all cash floats.

#### 4.5.9. Advances

- 4.5.9.1. Where advances are made to members of staff, primarily for reasons of foreign travel, these advances should be accounted for within 7 working days of returning to LSHTM. Further advances will not be made to members of staff who have previous advance accounts outstanding.
- 4.5.9.2. Further details can be found in the [Advances for Expenses Policy](#).

### 4.6. Accounting records

- 4.6.1. The Finance Director is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the applicable authorities. LSHTM is required by law to retain certain documents for six years, including paid invoices, bank statements, copies of receipts, paid cheques and payroll records. The Finance Director will make appropriate arrangements for the retention of electronic records.
- 4.6.2. Specific retention requirements of applicable funding organisations or their auditors are available on the [Research Operations intranet site](#).

## 5. Research grants and contracts

### 5.1. General definitions

- 5.1.1. Research can be defined as original investigation, undertaken to gain new knowledge and understanding which may be directed towards a specific aim or objective.
- 5.1.2. Financial management of research grants and contracts will be as set out in these regulations and associated financial policies, unless a funder's terms expressly require an alternative. These should be discussed and agreed with the Chief Operating Officer in advance of any application for funding being made.

### 5.2. Project life cycle and responsibilities

- 5.2.1. Research projects move through a number of stages during their 'life cycle' and the responsibilities and considerations of the financial implications and risks to LSHTM vary at different stages within this cycle.
- 5.2.2. All research projects, regardless of the funder, should move through this life cycle and the considerations in each stage should be applied consistently. Lead responsibilities for the LSHTM/MRC Units may differ from those stated in the table below to align to agreed local arrangements.

Project life cycle stage	Key requirements	Lead responsibility
Outline proposal	Evaluation through 'Letter of Intent' process	Faculty management
Application – detailed proposal	Detailed proposal of research to be undertaken	Principal Investigator (PI)
Application – costing	Costing on a 'full economic cost' (fEC) basis in order to recover sufficient indirect costs, via standard costing tool	PI / FOO / Research Pre-Award team / COO (over £1m)
Application – pricing	Where determined by funder terms, ensure terms are met; Where negotiated, minimum 100% fEC recovery	PI / FOO / Research Pre-Award team / COO (over £1m)
Application – submission	Ensure complete and meets funder deadlines	Research Pre-Award team
Notification of award	Review terms of award	Research Contracts team
Sub-contracting - Collaborations	Drafting, negotiating and approval in line with Delegated Authority Schedule	PI / Research Contracts team / COO
Sub-contracting – Due Diligence	Due diligence undertaken on all sub-contractors (collaborators) in line with <a href="#">policy</a>	PI / Project team Due Diligence Analyst / Research Service team

Acceptance of award	Can only be accepted in line with Delegated Authority Schedule	See Annex A – Delegated Authority Schedule
Project initiation	Fully executed contract. Project set-up on finance system, including budget.	Research Service team
Project reporting – scientific	Report as per sponsor/contract terms	PI / Project team
Project reporting – financial	Report as per sponsor/contract terms	PI / Project team (annotation and justification); Research Finance team (preparation, review and submission)
Invoicing sponsor	Raise as per sponsor/contract terms	Research Finance team
Credit control	Collect amounts due per sponsor/contract terms	Finance Accounts Receivable team
Project time extensions	Costed extension – new budget approval via standard costing tool  No cost extension – determine resource impacts	PI / Department Manager / Research Pre-Award team / Research Contracts team
Project finalisation – scientific	Report as per sponsor/contract terms	PI
Project finalisation – financial	Report as per sponsor/contract terms	PI / Project team (annotation and review); Research Finance team (preparation, approval and submission)

5.2.3. Further detailed policies, procedures and guidance can be found on the [Research Operations intranet site](#).

### 5.3. Consultancy

5.3.1. Consultancy is the provision of services to external clients based primarily on skills and expertise. This includes offering specialist opinion, advising on technical issues or solving problems, but does not involve the generation of new knowledge or original investigation, and so does not qualify as research under the definition above. All such work must comply with LSHTM's Consultancy Policy [[policy in development](#)].

5.3.2. The key requirements and responsibilities for consultancy work should be broadly consistent as for research grants and contracts set out above. The minimum expected cost recovery for consultancy work is set out in the Consultancy Policy [[policy in development](#)].

## 6. Salaries, wages and other personal payments

### 6.1. LSHTM/MRC Units

- 6.1.1. The LSHTM/MRC Units are required to operate to local regulations and employment laws and will maintain their own procedures applicable for remuneration and appointment of locally employed personnel.

### 6.2. Remuneration policy

- 6.2.1. LSHTM staff at grades 1-8 are appointed to LSHTM's Professional Support / Academic Staff salary scales. Staff at grade 9 are appointed to the Professorial and PS9 grades and salary bands approved by Council and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources Department. Full details of procedures to be followed during the recruitment process are accessible from the [Human Resources intranet pages](#).
- 6.2.2. Council will determine what other benefits are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.
- 6.2.3. Salary and other benefits of the Director and other senior staff will be determined by the Remuneration Committee of Council.

### 6.3. Appointment of staff

- 6.3.1. All contracts of service shall be concluded in accordance with LSHTM's approved human resources practices and procedures and all offers of employment shall be made in writing by the Human Resources department.
- 6.3.2. Established staff may only be appointed to formally released posts, as confirmed by the Executive Team.

### 6.4. Salaries and wages

- 6.4.1. The Finance Director is responsible for all payments of salaries and wages to all staff including payments for services rendered. The Director of Human Resources is responsible for keeping the Finance Director informed of all matters relating to human resources for payroll purposes. In particular these include:
- Appointments, resignations, dismissals, secondments and transfers;
  - Absences from duty for sickness or other reason, apart from approved leave;
  - Changes in remuneration other than normal increments and pay awards;
  - Information necessary to maintain records of service for superannuation, income tax and national insurance.
- 6.4.2. The Finance Director is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll. The Finance Director will be responsible for keeping all records relating to payroll including those of a statutory nature.

## 6.5. Superannuation

- 6.5.1. Council is responsible for undertaking the role as employer in relation to appropriate pension arrangements for employees. The Finance Director is responsible for day-to-day superannuation matters, including:
- Paying contributions to various authorised superannuation schemes;
  - Preparing the annual return to various superannuation schemes.
- 6.5.2. The Director of Human Resources is responsible for administering eligibility to pension arrangements and for informing the Finance Director when deductions should begin or cease.

## 6.6. Travel, subsistence and other allowances

- 6.6.1. All claims for reimbursement of subsistence allowances, travelling and incidental expenses shall be made in accordance with LSHTM's [Expenses Policy](#).
- 6.6.2. Such expenses will normally only be reimbursed if they are eligible for deduction from earnings under tax legislation; in general terms this means that they have been incurred wholly, exclusively and necessarily in the performance of a person's duties of employment.
- 6.6.3. Claims for reimbursement of expenses must be supported by official receipts or other valid documentation, provide a clear and accurate description of the purpose of payment and be properly authorised.
- 6.6.4. All claims should be made promptly and within the time limits set within the Expenses Policy.

## 6.7. Severance and other termination payments

- 6.7.1. Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by Council. Professional HR and legal advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Director or his/her nominee and calculations checked by relevant HR and/or Finance representative where necessary.
- 6.7.2. All matters referred to an employment tribunal shall be notified to the People Committee and Remuneration Committee. All determinations must be similarly notified.

# 7. Other

## 7.1. Banking arrangements and treasury management

### 7.1.1. Appointment of bankers and other professional advisers

- 7.1.1.1. Council is responsible for the appointment of LSHTM's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance & Development Committee. The appointment shall be for a specified period after which consideration shall be given to competitive tendering for the service.

### 7.1.2. Banking arrangements

- 7.1.2.1. The Finance Director is responsible, on behalf of the Finance & Development Committee, for liaising with LSHTM's bankers in relation to the operation of bank accounts.
- 7.1.2.2. Only the Finance Director may open or close a bank account for dealing with LSHTM's funds, and all accounts must be in the name of LSHTM or one of its subsidiary companies.
- 7.1.2.3. The Finance Director is responsible for ensuring there are appropriate financial procedures in place to manage payments made from LSHTM's bank accounts, including appropriate authorisations, as well as ensuring regular reconciliation and that large or unusual items are investigated as appropriate.
- 7.1.2.4. The LSHTM/MRC Units are exempt from the above and are responsible for local banking arrangements.

### 7.1.3. Treasury management

- 7.1.3.1. The Finance Director is responsible for preparing and recommending to the Finance & Development Committee a Treasury Management Policy, which sets out a strategy and policies for cash management and investments.
- 7.1.3.2. The Investment Working Group advises the Finance & Development Committee on the investment of donations and endowments, which are normally held in the medium to longer term (i.e. for more than one year).
- 7.1.3.3. Responsibility for ensuring implementation, monitoring and review of the policy resides with the Finance Director. Management of short-term cash and investments (i.e. for up to a year) is delegated to the Chief Operating Officer within the parameters prescribed in the Treasury Management Policy.

## 7.2. Borrowing

- 7.2.1. The Council, on the recommendation of the Finance & Development Committee, must approve all overdraft facilities and borrowings. The Committee should be aware of any borrowing limits imposed by the Office for Students or other regulators.
- 7.2.2. The Finance Director will advise the Finance & Development Committee concerning LSHTM's ability to pay interest on, and repay, both the originating capital debt and any proposed new borrowing.
- 7.2.3. Borrowing by subsidiary companies will usually be limited to loans from LSHTM.

## 7.3. Taxation

- 7.3.1. The Finance Director is responsible for advising, in light of guidance issued by appropriate bodies and relevant legislation, on all taxation issues affecting LSHTM. (S)he will issue instructions on compliance with statutory requirements, including those concerning VAT, PAYE, National Insurance, Corporation Tax and Import Duty. This also includes overseas tax matters where relevant.
- 7.3.2. LSHTM, its subsidiaries, its staff and other associated bodies and persons must not knowingly engage in tax evasion – acting dishonestly to reduce a tax liability – or



facilitate tax evasion by a third party. The [Criminal Finances Act](#) and other relevant legislation must be complied with by all staff.

7.3.3. The Finance Director is responsible for maintaining LSHTM's tax records, making tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

7.3.4. The LSHTM/MRC Units are responsible for maintaining tax records, making payments and submitting required returns for local taxes.

## 7.4. Insurance

7.4.1. The Finance Director is responsible for advising the Finance & Development Committee on LSHTM's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall strategy for the management of risk (see section 2.2), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified.

7.4.2. The Finance Director is responsible for the day-to-day operation of all insurance matters, including obtaining quotations, negotiating claims, maintaining necessary records and liaising with LSHTM's insurers and advisors about specific insurance problems.

7.4.3. All staff have a general duty to:

- Comply with the terms of LSHTM's insurance policies, and to ensure cover is not invalidated for any reason; and
- Advise the Finance Director of any changes to LSHTM's assets and activities or of any incidents that may affect LSHTM's insurance requirements or lead to an insurance claim by or against LSHTM.

## 7.5. Property and other assets

7.5.1. The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from Council.

7.5.2. The Finance Director is responsible for maintaining LSHTM's register of land, buildings, fixed plant and machinery. Staff will provide the Finance Director with any information (s)he may need to maintain the register.

7.5.3. Deans, Unit Directors and Heads of Central Services are responsible for the care, custody and security of the buildings, stock, stores, IT, furniture and other assets under their control.

7.5.4. Assets owned or leased by LSHTM shall not be subject to personal use without proper authorisation.

7.5.5. Disposal of land and buildings must be authorised by Council. Disposal of equipment and furniture must be in accordance with the [Fixed Asset Disposal Policy and Procedure](#).

## 7.6. Companies and joint ventures

7.6.1. Council, on the recommendation of the Finance & Development Committee, is responsible for approving the establishment of, and investment in, all companies and joint ventures.

- 7.6.2. It is the responsibility of the Finance and Development Committee, acting for Council, to appoint directors of companies wholly or partly owned by LSHTM. Finance and Development Committee will be advised on suitable appointees by the Director. Where officers or staff of LSHTM serve as director of a majority-owned subsidiary, they shall not derive any personal benefit from their appointment.
- 7.6.3. The annual audited financial statements of all companies where LSHTM is the majority shareholder will be presented to the Finance and Development Committee. Finance and Development Committee may request that financial information for non-majority owned companies also be presented to them periodically.

## ANNEX A - DELEGATED AUTHORITY SCHEDULE

### 1. Introduction

This Schedule lists those Committees or individuals to whom authority has been delegated by Council to commit LSHTM to a contractual or quasi-contractual arrangement within approved budget limits. Council may continue to exercise all authorities available to it whether or not they have been delegated.

The Delegated Authority Schedule is structured to show:

- The Committee or individual which must approve the transaction, arrangement or project; and
- The individual who holds the delegated signing authority to execute the transaction once approval has been given.

The following principles should be adhered to by a Delegated Authority:

- All actions will not exceed the level of authority delegated and must be contained within the allocated and approved budget;
- All actions will be consistent with LSHTM's Strategic Plan and institutional objectives;
- All decisions should be consistent with LSHTM's risk appetite statement, and comply with legal and funding body obligations;
- Approval must be obtained at the planning stage, before the point of committing to any transaction, and include the total transaction cost over the full period of commitment;
- The Schedule applies to all activities whether funded from either restricted or non-restricted funds.

Unless otherwise specified, the delegated authorities apply to all LSHTM activities including the LSHTM/MRC Units in Gambia and Uganda.

In the event of an approver being absent, the substitute for the period of absence would ordinarily escalate to the approver with a higher approval authority within the chain of escalation, or to a peer.

### 2. Budgets and General Expenditure

Topic area	Approval by	Signing authority
LSHTM consolidated annual revenue and capital budgets	Council, on recommendation of Finance & Development Committee (F&DC)	Director
Variations outside approved budget (i.e. items which have a negative impact on the annual budget)	Up to £100k – Executive Team; >£100k – F&DC >£500k – Council	Chief Operating Officer (COO)
Virements within budget	Up to £100k - Budget Holder; >£100k – COO	Finance Director
Expenditure transactions (contracts for supplies, goods, services and works)	Up to £100k – Dean of Faculty / Head of Central Service area £100k-£250k Deputy Finance Director (research project expenditure) or Finance	Budget Holder

	Director (non-research project expenditure) £250k-£500k – COO >£500k – Director	
Lease agreements [all leases must be notified to the Finance Director in advance of creating any financial commitment]	Total lease value up to £25k – Budget Holder Total lease value >£25k – Finance Director	Finance Director

For the LSHTM/MRC Units in Gambia and Uganda, the following delegated authority applies to expenditure transactions:

Unit Authority level	Gambia authority limit	Uganda authority limit
LSHTM Chief Operating Officer	>£250k	>£250k
Unit Director	£250k	£250k
Unit Chief Operating Officer / Director of Operations	£100k	£100k
Head of Finance	£50k	£20k
Theme Leads / Heads of Programme	£50k	£10k
Heads of Department	£20k	£5k
Principal Budget Holders	£10k	Proportionate to grant
Other Project Leaders	£1k	£1k

### 3. Land and property

Topic area	Approval by	Signing authority
Purchase, lease or disposal of land and buildings	<£500k – F&DC >£500k – Council	Director / COO
LSHTM estates strategy and capital investment plan	Council, on recommendation of F&DC	Director
Individual projects within the approved capital investment plan	Up to £100k – Executive Team; >£100k – F&DC; >£500k – Council	COO
Individual projects outside the approved capital investment plan	Council	COO
Formal acceptance of contracts and acquisition of all goods, services and works related to land and buildings	Major building contracts: <£3m – Executive Team; >£3m – F&DC All other contracts: <£1m – Executive Team; >£1m – F&DC	Up to £500k – Estates Director; >£500k – COO >£2m – Director

## 4. Procurement

Procurement thresholds in relation to the requirements for competition are set out in the Procurement Policy and summarised below. There are legal thresholds and obligations for higher value goods, services or works.

Procurement of Supplies, Goods, Services & Works		
Purchase Value Range (ex. VAT)	Process to achieve demonstrable value for money	Documentation
Less than £10,000	No specified process	Purchase order
Over £10,000 and below £50,000	Comparative Pricing (as a minimum 3 quotes)	Written evidence of quotes to be submitted with requisition
Over £50,000 and below OJEU Threshold	Competitive tender facilitated by Procurement	Agreed procurement strategy and tender documentation
Above the OJEU threshold	OJEU compliant tender facilitated by Procurement	Agreed procurement strategy and supporting process documentation
<b>Applicable OJEU thresholds (incl. VAT):    Supplies &amp; Services - £213,477</b> <b>Works - £5,336,937</b>		

## 5. Treasury & Cash Management

Topic area	Approval by	Signing authority
Appointment of bankers	Council, on recommendation of F&DC	Finance Director
Borrowing	Council, on recommendation of F&DC	Director / COO
Investment of cash – short-term (i.e. up to 12 months)	COO	Finance Director
Exchange rate risk management and non-sterling cash management	COO	Finance Director

## 6. Income

Topic area	Approval by	Signing authority
Research grants and contracts – applications / acceptance of offers	Up to £1m – Dean of Faculty / Unit Director >£1m – COO / Director	Head of Legal & Compliance
Research grants and contracts – confidentiality agreements, clinical research, granting or receiving an assignation of licence of intellectual	COO	Head of Legal & Compliance

property to facilitate research		
Consultancy and service contracts	COO	Tech Transfer, IP and Consultancy Manager
Technology Transfer Agreements	COO	Tech Transfer, IP and Consultancy Manager
Student tuition fees	Council, on recommendation of F&DC	Director of Education Services
Provision of other LSHTM services		

## 7. Donations and endowments

Topic area	Approval by	Signing authority
Donations & endowments	£100k-£250k – COO and Finance Director; £250k-£500k – Director or Pro-Director; £500k-£1m – Chair of Council and one other Council member >£1m – Gift Committee	Director of Development & Alumni Relations
Endowments – release of money to fund managers for investment	Chair of Investment Working Group	Finance Director
Endowments – application within specified purposes; or approval for change of use	Director / COO	Finance Director
Investment management services including appointment of investment managers	F&DC, on recommendation of the Investment Working Group	Finance Director