

FINANCE AND DEVELOPMENT COMMITTEE

TERMS OF REFERENCE 2020/21

PARENT BODY: Council

PURPOSE: Finance and Development Committee has oversight of the Executive's planning and management of finance, investments and assets of the London School of Hygiene and Tropical Medicine (LSHTM) in their widest sense.

Finance and Development Committee has a particular remit in relation to providing advice and recommendations to Council, or reviewing/monitoring and approving on behalf of Council, the following:

1. Financial Strategy and Policy

- 1.1. To recommend to Council a financial strategy for LSHTM including appropriate KPIs in order to meet the objectives of the LSHTM Strategy and to ensure the financial stability of the institution.
- 1.2. To approve policies on investments in respect of general and specific funds, and other funds of which the Council acts as Trustee, within such powers as are granted by the Charter.
- 1.3. To approve the School's strategy for achieving value for money, review its performance against the strategy and advise Audit & Risk Committee accordingly;
- 1.4. To monitor performance against a fundraising strategy to be determined by the Executive and advise Council accordingly.
- 1.5. To approve accounting policy and recommend to Council the Financial Regulations (and Scheme of Delegation of Financial Authority).

2. Budget-setting and financial forecasting

- 2.1. To recommend to Council the annual budgets and the financial forecasts.
- 2.2. To authorise or recommend to Council increasing or decreasing the annual budget surplus/deficit during the year in line with the Financial Regulations.

3. Financial Performance

- 3.1 Through an agreed reporting process from the Executive, to monitor the financial situation of LSHTM, both capital and revenue, and to ensure that appropriate actions are taken to safeguard the financial viability of LSHTM in the short and long term.
- 3.2 To approve the write off of bad debt in line with the Financial Regulations.
- 3.3 To review on an annual basis the consolidated Financial Statements of LSHTM, which have been subject to external audit and prior to testing by Audit and Risk Committee and adoption by Council.
- 3.4 To receive and monitor on behalf of the Council, the financial reports and accounts of the subsidiary and associated companies.
- 3.5 To monitor and, as appropriate, undertake an assessment of the impact of LSHTM's contingent liabilities and their potential financial impact.

4. Capital Projects

- 4.1 To approve the annual capital expenditure plan.

- 4.2 To approve variations to the annual capital expenditure plan in line with the Financial Regulations.
- 4.3 To approve or recommend to Council business cases for capital projects in line with the Scheme of Delegation of Financial Authority.
- 4.4 To monitor the financial performance of the capital programme and receive reports from the Capital Project Steering Group.

5. Companies and trusts

- 5.1 To approve the establishment of any companies or trusts;
- 5.2 To monitor the performance of these companies & trusts;
- 5.3 To approve, or recommend to Council, any loan, investment, decrease in share capital in any Joint Venture or other School Company in line with the Financial Regulations.
- 5.4 To approve any expenditure or capital reduction for any School trust fund in line with the Financial Regulations.

6. Assets

- 6.1 To consider proposals affecting major assets, in particular the estate, and to decide or recommend to the Council as appropriate.
- 6.2 Through an agreed reporting process from the Executive, to monitor estates projects and other estates matters, including planned works and maintenance schedules.
- 6.3 To have oversight of the School's intellectual property assets and make any necessary decisions to maximise the benefits that can accrue from them;
- 6.4 To review or approve the sale of School assets in line with the Financial Regulations
- 6.5 To review the School's insurance cover at regular intervals.

7. Investment and Treasury Management

- 7.1. To approve the appointment of bankers and the provisions of the bank mandate.
- 7.2. To approve a strategy for borrowing, investment of funds and raising of monies, in line with any provisions of the Charter, Ordinances and Financial Regulations.
- 7.3. To appoint, and terminate the appointment of, investment managers and advisers and review their performance on a periodic basis against agreed targets and benchmarks.

8. Committee evaluation

- 8.1 To review the Committee's effectiveness and the suitability of its terms of reference annually.

COMPOSITION

Membership:

- Honorary Treasurer (ex-officio) who will be the Chair of the Committee
- Three further external members of Council
- The Director (ex-officio)
- Up to five co-opted members who are external to LSHTM and have relevant expertise
- Elected staff member of Council
- Deans of Faculty

MODE OF OPERATION

Finance and Development Committee meets at least four times per year.

The Committee reports to Council through submission of the minutes of each of its meetings with a coversheet highlighting the key decisions and discussions, and through an oral report by the Honorary Treasurer. Specific proposals requiring Council consideration and approval are identified in the terms of reference.

The quorum is

- at least two independent members of Council; and
- a majority of independent members in attendance.

The Finance and Development Committee Terms of Reference were approved by Council on 19 September 2019.