



## VISION

Our Vision is to develop literate, numerate, global citizens who ASPIRE, i.e. they are: Ambitious, Self-confident, Physically literate, Independent learners, Resilient, Emotionally literate.

## OBJECTIVES

This policy aims to ensure that:

- The academy trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

## LEGISLATION

The Academy Trust Handbook states that academy trusts are required to have an investment policy to:

- Manage and track their financial exposure
- Ensure value for money

This policy is based on the [Academy Trust Handbook](#) and guidance from [The Charity Commission](#).

This policy also complies with our funding agreement and articles of association.

## ROLES AND RESPONSIBILITIES

### Governing Body

Governors will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- Act within their powers to invest as set out in our articles of association
- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- Take investment advice from a professional adviser, as appropriate
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the trust and command broad public support

Governors will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel, contentious or repercussive.

**Novel transactions** are those of which the academy trust has no experience, or are outside the range of normal business activity for the trust.

**Contentious transactions** are those which might give rise to criticism of the trust by Parliament, the public, and the media.

**Repercussive transactions** are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

### **Finance, Audit & Risk Committee**

Academy trustees delegate responsibility for the trust's investments to the finance committee.

The committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the trust's investments
- Reporting to trustees on investments

### **Business Director Finance, Facilities & IT (BDFFI)**

The BDFFI, who acts as the Academy's Chief Financial Officer, is responsible for producing cash flow forecasts and for making decisions on investments. The BDFFI also provides information to the Finance, Audit & Risk committee and academy governors, as appropriate.

## **INVESTMENT PRINCIPLES**

The Academy will only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks.

Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation.

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

## **PROCEDURES**

The Academy runs a sweep arrangement between its current and main deposit account, with the current account balance being retained at £20,000 at the end of each day through daily transfers with the deposit account. This retains a working balance in the current account, while ensuring that a higher rate of interest can be obtained on monies not invested elsewhere.

The Finance, Audit & Risk Committee will discuss investment opportunities at each of their meetings. Before any funds are invested the committee will need to agree to the investment and two members of the committee will need to sign to indicate the committee's agreement. An investment authorisation form can be found in Appendix 1.

The following information will be recorded about investments:

- Date
- Amount and description of the investment
- Length of investment
- Interest rates/expected return

The BDFFI will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the BDFFI to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.

Investments will normally be for a fixed term that does not exceed one year, unless there is a clear rationale for longer-term investment that would benefit the Academy.

A maximum of £85,000 will be placed with one financial institution. This is because the first £85,000 of an investment is protected by the Financial Services Compensation Scheme.

Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

## **MONITORING, EVALUATION AND REVIEW**

The BDFFI will monitor the implementation of this policy.

The policy will be reviewed and approved by the Finance, Audit & Risk committee every two years.

*Policy written by the Business Director Finance, Facilities & IT in February 2023.*

*Approved by the Finance, Audit & Risk Committee in March 2023.*

## Appendix 1: investment authorisation form

DATE INVESTMENT MADE		DURATION OF INVESTMENT	
AMOUNT			
INTEREST RATE		EXPECTED RETURN	
DESCRIPTION OF INVESTMENT			
DETAILS OF WHERE THE INVESTMENT IS HELD			
SIGNATORY NAME PRINT		SIGNATORY NAME PRINT	
SIGNATURE		SIGNATURE	
DATE		DATE	