



INVESTMENT POLICY

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| THIS POLICY WAS APPROVED: | SPRING 2018 |
| THIS POLICY WILL BE REVIEWED: | SPRING 2020 |
| MEMBER OF STAFF WITH RESPONSIBILITY FOR REVIEW: | DIRECTOR OF FINANCE |

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1. Aims

This policy governs the investment strategy of Anglian Learning (The ‘MAT’) and all schools that form part of the trust

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 Academies Financial 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

2. Legislation and guidance

The [Academies Financial Handbook](#) states that academy trusts are required to have an investment policy to:

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

This policy is based on the Academies Financial Handbook and guidance from [The Charity Commission](#). This policy also complies with our funding agreement and articles of association.

3. Roles and responsibilities

3.1 Academy trustees

Academy trustees 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

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

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.

3.2 Audit and Finance committee

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

The committee is responsible for:

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

The Finance and Audit Committee of the MAT is responsible for monitoring adherence to this policy, the appointment of investment advisors/managing agents, and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

3.3 The chief operating officer

The Chief Operating Officer (COO) is responsible for producing cash flow forecasts and for making decisions on investments. The COO also provides information to the finance committee and academy trustees, as appropriate.

The Accounting Officer and Chief Operations Officer (COO) are responsible for ensuring that the policy is followed for all investments held.

The COO is authorised to withdraw and deposit funds from and into liquid investments (Cash Deposits) to meet immediate working capital requirements.

4. Investment principles

When selecting a suitable investment, the strength of the financial institution should be considered as part of the assessment of the investment's overall suitability.

We will only invest funds in low risk and easily-accessible accounts. Funds will be placed in 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.

Financial institutions should have a minimum rating of Baa1 (Moody's) or BBB+ (S&P) and be UK based. Products administered by British Retail Banks will be considered in the first instance.

5. Procedures

The following people must propose and approve any investment before transaction made:

- Chief Operating Officer – To propose investment and provide cashflow analysis

- Accounting Officer – To Approve
- Chair of Trustees– To Approve
- Chair of Finance Committee – To Approve

Before any funds are invested, 2 authorised signatories will sign written approval to indicate they agree to the investment. 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 COO will review interest rates and compare them with other investment opportunities annually. The COO will provide approvers with cash flow forecasts to evidence that the investment will not detrimentally impact the available liquid funds for school operations.

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

When there are funds surplus to immediate cash requirements in the current account, we will transfer these to an account with a higher interest rate.

Investments will normally be for a fixed-term that does not exceed 12 weeks unless there is a clear rationale for longer-term investment that would benefit the trust. Variation from the normal terms should in all cases be authorised in writing by a minimum of two of; The Accounting Officer, The Chair of Trustees and The Chair of Finance Committee.

A maximum of £85,000 will be placed with one financial institution since the first £85,000 of an investment is protected by the Financial Services Compensation Scheme. Any variation from this limit should in all cases be authorised in writing by a minimum of two of; The Accounting Officer, The Chair of Trustees and The Chair of Finance Committee.

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

6. Monitoring arrangements

The COO monitors the implementation of this policy.

The Finance and Audit Committee of the MAT is responsible for monitoring adherence to this policy, the appointment of investment advisors/managing agents, and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

This policy will be reviewed and approved by the academy trustees every 2 years.



Appendix 1: investment authorisation form

| | | | |
|---|--|------------------------|--|
| Date investment made | | Duration of investment | |
| Amount | | | |
| Interest rate | | Expected return | |
| Description of investment | | | |
| <p><i>State what type of investment is being made and how it will benefit the academy trust</i></p> <p><i>Has cash flow evidence been provided to support funds availability Y/N</i></p> | | | |
| Details of where the investment is held | | | |
| <p><i>Insert name and address of bank or building society</i></p> | | | |
| Signatory name print | | Signatory name print | |
| Signature | | Signature | |
| Date | | Date | |