



INVESTMENT POLICY

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Approvals

Name	Position	Signature	Date
Alan Warboys	CEO	<i>A Warboys</i>	30 November 2020
John Leam	Chair of Trustees	<i>J Leam</i>	30 November 2020

Document History

Version	Date	Author	Note of Revisions
1		A D'Arcy	
2	Nov 2019	J McKinlay	Wording changed throughout in reference to "Trustees, Principal, Pupil, AEC" Change in responsibilities in relation to creation of the Central Trust Finance Team.
3	Nov 2020	J McKinlay	Wording changed to reflect changes to Academy Financial Handbook

Introduction

- 1.1 The purpose of the Investment Policy is to set out the processes by which the Trustees will meet their duties, as set out under the Trust Articles of Association and Academies Financial Handbook, to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

1. Responsibilities

- 2.1 In line with the Scheme of Delegation, The Trustees of Accord Multi Academy Trust are responsible for agreeing the content of the policy.
- 2.2 The Board of Trustees delegate responsibility for approving any investments to the Finance & Resources Committee.
- 2.3 As Accounting Officer, the Chief Executive Officer is responsible for the implementation of this policy, in conjunction with the Trust Director of Finance.

2. Policy Aims

- To ensure a consistent investment policy across the Trust.
- To achieve the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.

3. Scope of the Policy

- 3.1 This policy has been formulated in accordance with the Trust Articles of Association and the Academies Financial Handbook, published by the EFA.
- 3.2 The Accord Multi Academy Trust Articles of Association state that:

"In furtherance of the Objects, but not further or otherwise, the Academy Trust may exercise the following powers:

- m). to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Objects (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification);
- n). to delegate the management of investments to a financial expert, but only on terms that:
- i. the investment policy is set down in writing for the financial expert by the Trustees;
 - ii. every transaction is reported promptly to the Trustees;
 - iii. the performance of the investments is reviewed regularly with the Trustees;
 - iv. the Trustees are entitled to cancel the delegation arrangement at any time;
 - v. the investment policy and the delegation arrangement are reviewed at least once a year;
 - vi. all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
 - vii. the financial expert must not do anything outside the powers of the Trustees;

- o). to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required.”

3.3 The Academies Financial Handbook states that the Trustees must take a cautious approach to investments in line with the principles set out below:

“2.2.8 Investments

2.2.9 The Board of Trustees may invest to further their Trust’s charitable aims, but **must** ensure that investment risk is properly managed. When considering making an investment the Board of Trustees **must**:

- act within their powers to invest as set out in their articles of association
- have an investment policy to manage, control and track their financial exposure, and ensure value for money
- exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser
- 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
- review the trust’s investments and investment policy regularly

2.2.10 The Board should follow the Charity Commission’s guidance: CC14 Charities and investment matters: A guide for trustees. EFA’s prior approval **must** be obtained for investment transactions which are novel and/or contentious.”

4. Investment Strategy

- 4.1 Investments are currently restricted to treasury and deposit accounts with the Academy’s bankers. Any interest is returned to the Academy as unrestricted income. Investments for a fixed term should not normally exceed one year in order to provide flexibility.
- 4.2. Decisions on how much to invest and how long to invest for will be based on operational requirements, and demonstrated by cash flow forecasts produced by the Trust.
- 4.3 A sufficient balance must be held in the academy and central trust’s current accounts so that the Academy’s financial commitments can always be met without the bank accounts going overdrawn. The size of the balance required in the current accounts will be determined by a forecast of future need and kept under review.

- 4.4 The Trust Reserves Policy states that:
“Trustees maintain that the reserves balance of each Academy will remain with the relevant Academy and will not be pooled by the Trust.”
- 4.5 However, Trustees recognise that investments may need to be pooled in order to maximise returns. The split in relation to returns will be agreed by the Finance & Resources Committee as part of the investment approval process.
- 4.6 Proposals for investments will be prepared by Director of Finance in conjunction with the Chief Executive Officer for presentation to the Finance & Resources Committee.
- 4.7 The Finance & Resources Committee will be updated on
- cash flow forecasts to ensure that the Trust has sufficient funds to cover operational commitments;
 - tracking investment levels;
 - reporting the investment position to Trustees.
- 4.8 The Director of Finance is responsible for placing approved investments into the agreed investment accounts, and apportioning returns at the end of the investment period in line with the investment agreement.