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# INVESTMENT POLICY



**Accord**

MULTI ACADEMY TRUST

### Document Detail

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### Approvals

<b>Name</b>	<b>Position</b>	<b>Signature</b>	<b>Date</b>
Alan Warboys	CEO	<i>A Warboys</i>	27 November 2023
John Leam	Chair of Trustees	<i>J Leam</i>	27 November 2023

### Document History

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Note of Revisions</b>
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
4	Nov 2021	C Brook	Wording changed to reflect changes to Academy Financial Handbook and reference to Chief Finance Officer.
5	Nov 2022	C Brook	Updated to reflect latest Academies Financial Handbook changes. Removal of point that says Trust will not pool reserves
6	Nov 2023	C Brook	Updated to reflect latest Academy Trust Handbook changes. Removal of paragraph 4.5 due to the introduction of GAG pooling.

## **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 Academy Trust 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 Chief Finance Officer.

### **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 Academy Trust Handbook states that the Trustees must take a cautious approach to investments in line with the principles set out below:

## 2.22 Investments

2.2.5 The Board of Trustees may invest to further the Trust's charitable aims but **must** ensure investment risk is properly managed. When considering an investment the Board of Trustees **must**:

- have an investment policy to manage, and track its financial exposure, and ensure value for money
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ensure exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation
- ensure investment decisions are in the Trust's best interests
- review the trust's investments and investment policy regularly

2.23 The Board should follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. ESFA's prior approval **must** be obtained for novel, contentious and/or repercussive investments."

## 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 Proposals for investments will be prepared by the Chief Finance Officer in conjunction with the Chief Executive Officer for presentation to the Finance & Resources Committee.
- 4.5 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.

4.6 The Chief Finance Officer is responsible for placing approved investments into the agreed investment accounts.