GREAT OAK MULTI ACADEMY TRUST

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Multi Academy Trust

Investment Policy

Approved by the Board of Directors September 2024

Aims

This policy aims to ensure that:

- The 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 and guidance

The Academy Trust Handbook (paragraph 2.22) 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.

Principles

The trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations and manage the risk of a failure in a major financial institution through diversification of deposits and investments. Within the limits of the overriding consideration to allow for flexibility and "zero investment risk" each Academy should aim to maximise the financial return on any funds invested.

Roles and responsibilities

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 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

The chief financial officer (CFO)

The chief financial officer (CFO) is responsible for producing cash flow forecasts and for making recommendations on investments. The CFO also provides information to the trustees, and Academy finance committees as appropriate.

Finance committees

Academy finance committees are required to consider cash flow implications when considering and running capital projects to prevent any financial risk to the trust.

Guidelines and procedures

- Regular cash flow forecasts will be prepared by the CFO.
- Cash flow and current account balances will be monitored monthly by the CFO to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.
- Where the cash flow forecast identifies a base level of cash funds that is surplus to requirements then these may be invested in interest bearing deposit accounts.
- We only invest funds in easily-accessible accounts. Funds are placed in accounts with a range of access including, instant savings and those up to a maximum notice of 3 months to maximise interest income whilst protecting cash requirements.
- Deposits should be diversified so that no deposit account exceeds the maximum amount of £85k. 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.
- The primary bank account will contain more than the guaranteed limit as this is normal practice and essential to the smooth running of each Academy's cash transactions.
- All accounts should be set up so as to allow transfers out to be made into the principal Academy bank account only.
- Approvals to set up new deposit accounts or to make a change to the contract terms shall require the approval of either the Executive Headteacher or Headteacher and the Chair of Directors or vice-Chair of Directors.
- Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.
- All institutions must be UK institutions covered by the UK guarantee.
- The CFO will review interest rates and compare them with other investment opportunities annually.

Monitoring arrangements

The CFO monitors the implementation of this policy. This policy will be reviewed every 3 years by the CEO (Executive Headteacher) and CFO (MAT Finance Manager) and approved by the full board of directors.

Adopted

Adopted by directors (signed): __________________ date: September 11 2024
Review date: September 2027