



# RAINHILL HIGH SCHOOL

## INVESTMENT POLICY



LFC ACADEMY  
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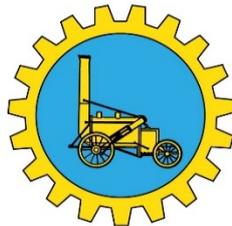
**RAINHILL  
HIGH SCHOOL**

# Investment Policy

Stephenson Multi-Academy Trust

<b>Approved by :</b>	<b>Finance &amp; Audit Committee Board of Trustees</b>
<b>Signed by:</b>	<b>Rob Owens Accounting Officer</b> <b>Lisa Flaherty Chair of Trustees</b>
<b>Approval Date:</b>	<b>July 2020</b>
<b>Review Date:</b>	<b>July 2021</b>

<b>Associated documentation</b>	
<b>Academy trust funding agreement</b>	<b>Master Funding Agreement Supplementary Funding Agreement</b>
<b>Academies Financial Handbook</b>	<b>2020</b>
<b>Academies Accounts Direction</b>	<b>2020</b>
<b>Stephenson MAT Financial Regulations</b>	<b>2020</b>



SCHOOLS IN PARTNERSHIP  
**STEPHENSON**  
MULTI ACADEMY TRUST

# **INVESTMENT POLICY**

## **Purpose and scope**

The purpose of the Investments Policy is to set out the processes by which Academy Trustees will meet their duties under the Academy's Articles of Association and Academies Financial Handbook issued by the ESFA to invest monies surplus to operational requirements in furtherance of the Multi Academy Trust's (MAT) charitable aims and to ensure that investment risk is properly and prudently managed.

## **Definition of duties**

The Academy's Articles gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objectives and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objectives."

Whilst the Board of Trustees has responsibility for the Trust's finances, the Scheme of Delegation approved by the Board of Trustees delegates responsibility to the Finance and Audit Committee.

The Chief Financial Officer is responsible for producing reliable cash flow forecasts as a basis for decision making. They are responsible for making investment decisions that comply with this Policy and for providing sufficient management information to the Accounting Officer and Finance and Audit Committee so it can review and monitor investment performance.

## **Objectives**

The investment objectives are:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn.
- By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the MAT, commanding broad public support.

## **Investment strategy**

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

For selection, assets will only be considered with banking institutions which have credit ratings assessed by Mitchell Charlesworth (MAT's appointed accountants and auditors) to show good credit quality.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £500,000 with any Prudential Regulation Authority (PRA) authorised (by the

Bank of England) institution (refer to Financial Conduct Authority (FCA)). Whilst this exceeds the protection limit of £75,000 provided by the FCA it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.

### **Spending and liquidity policy**

Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the Chief Financial Officer. The cash flow forecasts will take account of the annual budget and spending plans approved by the Board of Trustees and updated on a monthly basis.

A sufficient balance must be held in the current account so that the MAT's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the MAT.

### **Monitoring and review**

The MAT has authorised signatories, three of which are required to sign instructions to the deposit taking institution.

The Chief Operating Officer and Academy Business Manager will monitor the cash position and cash flow forecast and report on investments held, including the performance of investments against objectives, to the Finance and Audit Committee at appropriate intervals, depending on the terms of the investments. For example if investments are held one year then an annual report is appropriate.

This Investment Policy has been approved by the Finance and Audit Committee. It will be reviewed by the Finance and Audit Committee on an annual basis to ensure continuing appropriateness.

**Accounting Officer & Chief Operating Officer – Rob Owens**

**Chief Financial Officer & Academy Business Manager – Karen Kearns**