

Canonium Learning Trust



Investment Policy

Adopted: 2019/2020

Next review: 2022/2023

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
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

Legislation

This policy also complies with our funding agreement and articles of association.

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 and mitigating risk if it cannot be eliminated and ensuring that the trust acts with the utmost integrity
- Take investment advice from professional adviser(s), 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 fulfil the Charities Act requirement of public benefit
- 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.

Finance Directors

Academy trustees delegate responsibility for the trust's investments to the directors.

The directors are responsible for:

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

The chief financial officer

The Chief Finance Director is responsible for ensuring that cash flow forecasts are prepared to assist the making of informed decisions on investments. The CFD also provides information to the Board and academy trustees, as appropriate.

Investment principles

The Trust only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a maximum duration of a year and generally with notice periods of less than 12 weeks.

Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximization.

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

Procedures

The following people are authorised signatories:

Name:	Role:
Andy Hayman	Chair of Directors
Simon Gibbs	Chief Finance Director
Mike Walsh	CEO

Before any funds are invested, 2 authorised signatories will sign 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 CFD will review interest rates in consultation with the Business Manager(s) and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by means of regular Management Accounts by the CFD 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, the trust will assess the viability of the transfer of a portion to an account with a higher interest rate.

Investments will normally be for a fixed-term that does not exceed one year unless there is a clear rationale for longer-term investment that would benefit the trust. In placing funds on longer maturity dates the Trust will inform the Education and Skills Funding Agency as this could be classed as possibly contentious and novel for the Trust.

The Trust will aim to have a maximum of £85,000 with one financial institution. This is because the first £85,000 of an investment is protected by the Financial Services Compensation Scheme. The Trust will always balance the risk attendant with holding fund in excess of £ 85,000 with individual Banks against proliferating accounts with second-grade investment institutions.

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

Monitoring arrangements

The CFD monitors the implementation of this policy. This policy will be reviewed and approved by the academy directors every 3 years or if a significant change takes place.

Appendix 1: investment authorisation form



Date investment made		Duration of investment	
Amount			
Interest rate		Expected return	
Description of investment			
<i>State what type of investment is being made and how it will benefit the academy trust</i>			
Details of where the investment is held			
<i>Insert name and address of bank or building society</i>			
Signatory name print		Signatory name print	
Signature		Signature	
Date		Date	