



Investment Policy 2019

| By | Review period | Method |
|-----------------|---------------|---------|
| Governing Board | | Meeting |

Ownership: Chief Financial and Operations Officer

Revision History

| Review | Changes | Next review date |
|---------------|------------|------------------|
| February 2019 | New Policy | November 2019 |
| | | |

Romero vision

“Aspire not to have more, but to be more,”

Saint Oscar Romero

Education associated with Romero aims to be of the highest possible quality. The formation of the young people in our care is expressed in the values of respect, compassion and justice. Our schools are communities of faith where we hope to empower young people to take up the challenge to be more in their daily lives. To take action for social and environmental justice, and to create a more just and compassionate world.

Holy Cross Catholic Primary school and St Joseph’s Catholic College work together as a quasi federation. Therefore we have aligned our policies where possible and where the word school or academy is stated this will apply to the appropriate school for the situation.

1. AIMS

This policy aims to ensure that:

- The academy’s funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook
- The Academy’s funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Governors fulfil their duties and responsibilities as charitable trustees and company directors

2. LEGISLATION AND GUIDANCE

The [Academies Financial Handbook](#) states that academies are required to have an investment policy to:

- Manage, control and track their financial exposure
- Ensure value for money

This policy is based on the Academies Financial Handbook and guidance from [The Charity Commission](#). This policy also complies with our funding agreement and articles of association.

3. ROLES AND RESPONSIBILITIES

3.1 Academy Governing board

Academy Governors will ensure that investment risk is properly managed. When considering whether to make an investment, Governors 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 Academy acts with the utmost integrity
- Take investment advice from a professional adviser, 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 Academy and command broad public support

Governors 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 has no experience, or are outside the range of normal business activity for the Academy.

Contentious transactions are those which might give rise to criticism of the Academy by Parliament, the public, and the media.

3.2 Finance committee

Academy Governors delegate responsibility for the Academy's investments to the finance committee.

The committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the Academy's investments
- Reporting to Governing board on investments

3.3 The chief financial officer

The chief financial officer (CFO) is responsible for producing cash flow forecasts and for making decisions on investments. The CFO also provides information to the finance committee and academy Governors, as appropriate.

4. INVESTMENT PRINCIPLES

The purpose of financial investment is to yield the best financial return within a level of risk which is acceptable to the academy and so further the aims of the academy.

We only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more 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.

5. PROCEDURES

The following people are authorised signatories:

Governor,

Paul Hughes Executive Principal,

Helen Peace Chief Financial and Operational Officer,

Jerry Giles and Karen Salter Head of School,

Sharon Chapman Financial Controller

Before any funds are invested, the 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 CFO will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the CFO 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, we will transfer these 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 Academy.

A maximum of £85,000 will be placed with one financial institution. 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.

6. MONITORING ARRANGEMENTS

The CFO monitors the implementation of this policy.

This policy will be reviewed and approved by the academy **Governors** annually.

7. LINKS WITH OTHER POLICIES

This investment policy links with our policies on

- Accounting
- Competitive tendering
- Bribery

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 academy</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 | |