



## **Diocese of Worcester Multi Academy Trust (DoWMAT)**

### **Investment Policy**

MAT Board Approval:	October 2017
Review Date:	Autumn 2019
Member of staff responsible:	Mrs Claire Davies

## **DoWMAT Vision**

The Diocese of Worcester Multi Academy Trust (DoWMAT) will, through its mission statement 'to love, to learn, to serve', enable all its academies to flourish so that all stakeholders can 'live life in all its fullness'. (John 10:10)

## **DoWMAT Aims**

### **To Love:**

- For pupils to grow and learn in schools where, as children of God, their individual qualities are nurtured, to give them fulfilment, self-worth, the skills to contribute to society and confidence in the future
- For staff, accorded dignity and respect, to be enabled to become the very best practitioners that they can be, inspiring, sharing a joy for learning and aspiration
- For academies to be hospitable to diversity, to become the centre of their communities as places of nurture and beacons of educational excellence
- For all learning to be centred in relationships based upon compassion, generosity, truth-telling, forgiveness and reconciliation

### **To Learn:**

- For academies to be resourced and supported so that all pupils within the DoWMAT are enabled to flourish, reaching their potential whatever their starting points
- To ensure staff and governors access high quality professional development so that standards of teaching and learning are excellent
- For academic rigour to be set in the context of rich curricular and extra-curricular opportunities for learning
- For academies to be places where explicit Christian values, collective worship, religious education and opportunities for reflection nurture the spiritual and moral growth of pupils and staff

### **To Serve:**

- To fulfil the wider vision of the Church of England, serving our communities through the work of local academies
- To ensure academies are places of safety for pupils and staff where needs are met with dignity and respect
- To offer help and advice to those who lead our academies at all levels so that they are well equipped to face the challenges ahead
- To ensure that members, directors and trust staff understand the pressures and challenges of education in the 21<sup>st</sup> century ensuring that those leading and teaching in our academies are resourced and supported

## **1. 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 Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

## **2. Definition of duties**

The Trust Board (or Local Governing Body, in the case of individual Academy investments) are aware that they have a responsibility to ensure that investment risk is properly managed. As such, they must:

- Know and act within their Trust / Academy's powers to invest as set out in the Trust Articles of Association
- Exercise care and skill when making investment decisions, taking advice where appropriate
- Select investments that are right for the Trust / Academy
- Review investments periodically
- Follow the guidance contained in this policy
- Review the Trust Investment Policy regularly

The Board of Trustees has full responsibility for any investments made on behalf of the Trust, including those made by any individual Academy within the Trust. Any individual academy looking to make an investment must first seek approval from the Trust Board.

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

## **3. Objectives**

The DoWMAT 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 Trust 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 Trust; commanding broad public support.

#### **4. Investment Strategy**

The Trust Finance Committee must be clear about what they aim to achieve through financial investment. They must consider exactly what they want to do, how they intend to do it and what the timescale will be. They must also consider the Trust's long and short term financial commitments as well as its expected income.

A certain degree of risk is associated with all investments so Trustees must do all they can to manage risk levels. Before any investment decisions are made, Trustees must consider the level of risk they are able to accept. They must be satisfied that the overall level of risk they are taking is appropriate for the Trust.

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

For selection, investments will only be considered with banking institutions which demonstrate good credit quality.

Regular cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements, these may be invested following approval from the Finance Committee. Approval must be signed off and recorded in the committee minutes.

To manage the risk of default, deposits should be spread by banking institution and be subject to an agreed maximum exposure.

#### **5. Spending and Liquidity**

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 Finance Officer. The cash flow forecasts will take account of the annual budget and spending plans approved by the Trust Board and updated on a monthly basis.

A sufficient balance must be held in the current account so that the Trust'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 Trust.

#### **6. Monitoring and Review**

The Trust has authorized signatories, two of which are required to sign instructions to the deposit taking institution.

The Chief Finance Officer will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance 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 is the responsibility of the Trust Board. It will be reviewed by the Trust Board on an annual basis to ensure continuing appropriateness.