



Policy

Treasury Management

Author:

David Cousins, Chief Finance Officer

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Approved by:

Finance & Operations Committee

Next Review date:

October 2024

Introduction

Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in the Public Services as:

- the management of the Academy's cash flows, banking and investment transactions
- the management of the risks associated with these activities
- the pursuit of optimal returns consistent with those risks

The objectives of this policy are to ensure that the Academy:

- maintains sufficient cash balances in its current account(s) to meet its day to day commitments
- invests surplus cash to earn an acceptable rate of return without undue risk
- considers spreading risk between differing types of investment and institutions to reduce credit risk

Responsibility

The Chief Executive Officer and Board of Trustees have overall responsibility for the security and management of funds.

The day-to-day management of the treasury function is controlled by the Chief Finance Officer. The Chief Finance Officer will be responsible for making investment decisions, in line with the agreed Limits and Authority.

This policy applies to all funds held by the Trust, including bank accounts held in the name of an individual academy.

Cash Flow Forecasts

The Chief Finance Officer will prepare and present regular 12 month rolling cash flow forecasts to the Finance & Operations Committee:

- to identify expected cash balances
- to identify investment opportunities
- to provide early warning of low cash balances

Management action will be taken (e.g. to reduce, defer, halt spending) as appropriate.

Borrowing

The Trust is not permitted to borrow without the prior permission of the Education and Skills Funding Agency

Investments

The Trust and its Academies operate interest bearing current accounts with a bank approved by the Board of Trustees. This is currently Lloyds Bank.

The Chief Finance Officer will ensure that collectively and individually there are sufficient liquid funds to cover all immediate and forthcoming commitments. This includes maintaining a sufficient contingency to cover unexpected payments.

Monies surplus to working requirements shall be invested in Approved Institutions. The Trust will not normally take out investments for periods longer than six months. Any longer-term investments would need to be approved by the Finance & Operations Committee.

Limits, Authority and Approved Institutions

The Board of Trustees delegates authority to the Finance & Operations Committee to:

- approve the opening of new bank current accounts, including a change of Trust bankers

- amend the list of approved institutions with whom the Trust will invest – currently Lloyds Bank only
- approve any investments with a maturity date exceeding six months

The Finance & Operations Committee delegates authority to the Chief Finance Officer to place term deposits in the name of the Trust, at approved institutions, subject to the agreed limits within this policy:

- the maximum amount that can be invested at any time is £2.5m
- the Trust will retain a cash balance of at least £2.5m which is instantly available

Authorised bank signatories of the Trust and its Academies are set out in the Trust's Finance Regulations.

The Trust partners with one of the recognised leaders in banking services utilised throughout the education sector.

Register of Deposits

The Chief Finance Officer will maintain a register of all deposits / investments held, which will record:

1. Institution with which deposit placed
2. Date deposit placed
3. Amount deposited
4. Date of maturity
5. Amount returned
6. Interest earned
7. Rate of interest

Monitoring, evaluation and review

The Chief Finance Officer will present a summary of investment activity, including the Register of Deposits, to the Finance & Operations Committee twice a year.

At least annually, the Chief Finance Officer will review interest rates and compare these with investment opportunities at other institutions.

This policy will be reviewed every three years or at the request of the Finance & Operations Committee or Chief Finance Officer.