

TREASURY MANAGEMENT POLICY FOR ABINGDON LEARNING TRUST

Purpose

This Policy outlines ALT's approach to Treasury Management and documents the roles and responsibilities of the Board of Trustees and the senior leadership team (SLT), and other key parties in relation to Treasury Management.

Background

Treasury Management will be carried out by ALT within the context of its statutory background, its Instrument and Articles of Government and Financial Memorandum with the funding body.

In developing this policy ALT has drawn on best practice for Treasury Management with particular reference to the Treasury Management in Public Services: Code of Practice (The Code) issued by CIPFA (1996).

Definitions

The Code defines Treasury Management as 'the management of the organisation's cash flow, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

Policy Objective

ALT's Treasury Management policy objective is to optimise returns to the institution consistent with its cash flow requirements and the overriding need to protect the capital value of ALT's funds.

In borrowing, the primary purpose of treasury management is to ensure the stability of ALT's financial position through use of sound debt management techniques.

ALT recognises that the Treasury Management policy must adequately reflect risk and in particular security, liquidity and yield risk. While no treasury management transaction is without risk the management of risks is the key purpose of the treasury management strategy.

Treasury Management Policy Statement

ALT is committed to the following principles in respect of Treasury Management:

- Effective Treasury Management makes a significant contribution to supporting the achievement of ALT's business and service objectives.
- The Treasury Management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

- There will be a clear distinction between those members of staff charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

The successful identification, monitoring and control of risk is the prime criteria by which the effectiveness of ALT's Treasury Management activities will be measured.

Treasury Management Practices

ALT will operate Treasury Management activities in relation to:

- ALT's strategic plan;
- the revenue budget and capital programme;
- working capital management, including debt collection and policy on creditor payments, including payroll;
- cash flow forecasts.

Treasury Management will be carried out by the Finance Department of ALT, under the direction of the Chief Financial Officer and in accordance with Internal Financial Handbook as approved by the Finance Committee on an annual basis.

Roles and Responsibilities

Responsibility for the implementation of ALT's treasury management policies and practices is delegated by the Finance Committee to the Senior Leadership Team (SLT), and for the execution and administration of treasury management decisions to the Chief Financial Officer.

In accordance with its terms of reference and ALT's Internal Financial Handbook, the Finance Committee monitors the performance of ALT's Treasury Management activities and advises the Board of Trustees on policies for borrowing and investment.

Reporting Framework

The Chief Financial Officer will present an annual report to the Finance Committee on treasury management policies, practices and activities in the preceding financial year and the proposed policy for the forthcoming year.

The Chief Financial Officer will report immediately to Chief Executive Officer (CEO), Headteacher and the Finance Committee in the event of any significant issue, variation or cause for concern relating to Treasury Management function or activities.

Related Documents

This policy should be read in conjunction with the following:

Value for Money Policy
Risk Management Policy
Internal Finance Handbook

Review of this policy

The Board of Trustees through its Finance Committee review this policy every three years. It may however review this policy earlier than this if the government produces new regulations, or if it receives recommendations on how this policy might be improved.

Approved by Finance Committee of the Board of Trustees of ALT on 11 July 2017.

Signed: (Chair of Trustees)

Signed : (Chief Executive Officer)

Date for Review: July 2020