

COUNCIL POLICY

Investment Policy



POLICY TITLE:	Investment Policy
POLICY NUMBER:	33
REVISION NUMBER:	17
TRIM REFERENCE:	SF14/411 - R24/3072
RESOLUTION NUMBER:	4008
POLICY TYPE:	Statutory
APPROVING OFFICER:	Council Adoption
DATE OF ADOPTION:	5 July 2024
TIME PERIOD OF REVIEW:	1 Year
DATE OF NEXT REVIEW:	30 June 2025
RESPONSIBLE DEPARTMENT:	Financial Control

1. OBJECTIVE

In accordance with Section 191(1) of the *Local Government Regulation 2012*, Council must prepare and adopt an investment policy.

The intent of this document is to provide Flinders Shire Council with an investment policy which outlines investment objectives, risk tolerance philosophies and portfolio performance measures, within statutory framework of all associated legislation.

2. SCOPE

This policy applies to the investment of surplus funds in accordance with Category 1 investment power under Part 6 of the *Statutory Bodies Financial Arrangement Act 1982*. Category 1 investments include a range of investments either at call or for a fixed term of not more than one year. At call refers to simple investments where the investment can be redeemed and the monies invested can be retrieved by the investor from the financial institution within twenty-four hours without penalty.

3. INVESTMENT OBJECTIVES AND EXPECTATIONS

Flinders Shire Council is risk averse and therefore adopts a passive investment approach where the overall objective is to ensure a return on capital commensurate with the risk taken. In priority, the order of investment activities shall be preservation of capital, liquidity and return.

Council may invest surplus funds in a capital guaranteed cash fund or any approved cash management product which it deems will provide the greatest benefit. Surplus funds are the cash balance that is in excess of operating cash requirements. Operating cash not required for immediate use can also be invested in at call deposits to maximise returns in the short term.

Operating cash is the cash required to fund operating activities for the immediate short term (less than one month). It takes into account cash inflows (e.g. debtor and other receipts) and outflows (eg creditor payments, wages etc.) for that time.

For the purposes of this policy, funds that can be invested are the surplus monies available for investment at any one time and currently include Flinders Shire Council's NAB General Account, NAB Investment Account, and QTC Capital Guaranteed Cash Fund.

4. AUTHORISED INVESTMENTS

Without specific approval from Council or Chief Executive Officer (CEO) as delegated by Council, investments are limited to –

- QTC Cash Fund
- QTC Capital Guaranteed Cash Fund, debt offset facility, fixed rate deposit (up to 6 months and QTC Working Capital Facility)
- NAB Term Deposits
- NAB at call deposits

5. PROHIBITED INVESTMENTS

The following investments are prohibited by this investment policy –

- Commercial paper
- Bank accepted/endorsed bank bills
- Bank negotiable certificates of deposit
- Short term bonds
- Floating rate notes
- Derivative based investments
- Principal only investments or securities that provide potentially nil or negative cash flow
- Stand alone securities issued that have underlying futures, options, forward contracts and swaps of any kind
- Securities issued in non-Australian dollars

6. MATURITY

As prescribed by Section 44(2) of the *Statutory Bodies Financial Arrangement Act 1982*, all investments will either be at call or for a fixed term of no longer than one year.

7. RESPONSIBILITY DELEGATION OF AUTHORITY

The Chief Executive Officer (CEO) and Director Corporate and Financial Services (DCFS) are to ensure that this policy is understood and adhered to by relevant Council employees.

8. DELEGATION OF AUTHORITY

Authority for the implementation of this policy is delegated to the Chief Executive Officer in accordance with Section 257(1) of the *Local Government Act 2009*.

Authority for the day-to-day management of the investment portfolio is delegated by the Chief Executive Officer to the Director Corporate and Financial Services, Director of Engineering, Director of Community Services and Wellbeing, and Finance Manager.

Financial delegation is the power to authorise the investing of money, by signing and authorising electronic transfers of money as authorised by Council. Transfers to/from the NAB Investment may be authorised by the Chief Executive Officer, Director Corporate and Financial Services, Director of Engineering, Director of Community Services and Wellbeing, and Finance Manager.

9. INTERNAL CONTROLS

The Director Corporate and Financial Services shall establish internal controls and processes that ensure investment objectives are met, and that the investment portfolio is protected from loss, theft or misuse, as prescribed by the *Local Government Regulation 2012*.

10. RELATED LEGISLATION

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangement Act 1982*

11. REVIEW TRIGGER

Policy is to be reviewed annually.

12. PRIVACY PROVISION

Council respects and protects people's privacy and collects, stores, uses and discloses personal information responsibly and transparently when delivering Council services and business.

13. APPROVAL

Adopted at the July 2024 Special Council Meeting - Resolution Number 4008.