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Policy Title:	<b>Investment</b>
Policy No:	108
Policy Subject:	Investment of Council Funds
Directorate:	Corporate Services
Department:	Financial Operations
Responsible Officer:	Director of Corporate Services
Authorised by:	North Burnett Regional Council
Adopted Date:	General Meeting – 20/12/2011
Review Date:	20/12/2012
Authorities:	<i>Local Government Act 2009 Statutory Bodies Financial Arrangements Act 1982 (SBFA) Local Government Finance, Plans and Reporting) Regulation 2010 S132</i>

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### INTRODUCTION:

#### Scope

To provide guidance for the investment of surplus funds controlled by Council that are not immediately required for financial commitment.

### OBJECTIVES:

#### Primary Objective

To ensure investment of Council funds to obtain the most beneficial return for Council.

#### Secondary Objective

To designate the financial institutions to be approached for quotes.

To ensure that appropriate records are kept and that adequate internal controls are in place to safeguard public monies.

## **PRINCIPLES:**

### **Guidelines**

Council's investment portfolio should be realizable, without penalty, in a reasonable timeframe.

### **Authorised Institutions**

Only those institutions identified as suitable under the Category 1 Investment Powers conferred by SBFA S44(1)(d) & (E).

### **Quotations on Investment**

At least three (3) quotations shall be obtained from authorized institutions whenever an investment is proposed. The best quote on the day will be successful after allowing for administrative and banking costs, as well as having regard to the limits set below.

### **Term to Maturity**

The term to maturity of any Council investment may range from "At Call" to one (1) year.

### **Placement of Investment**

When placing investments, consideration will be given to the relationship between credit rating and interest rate and Councils objectives. To further diversify risk, no more than one third of Council's investments will be held with one financial or non-financial institution, other than QTC.

### **Council's Responsibility**

Council has a number of duties when investing funds. These are outlined in s47 and s48 of the SBFA and are summarised as;

Council must use its best efforts to invest its funds;

- a. at the most advantageous interest rate available to it;
- b. in a way it considers is most appropriate in all the circumstances and,

Council must keep records that show it has invested in the way most appropriate in all the circumstances and retain documentary evidence of the investment.