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Policy Title:	<b>Investment Policy</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:	Policy & Planning Meeting – 16/07/2013
Review Date:	16/07/2014
Authorities:	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i> <i>Statutory Bodies Financial Arrangements Act 1982 (SBFA)</i> <i>Statutory Bodies Financial Arrangements Regulation 2007 (SBFAR)</i>

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### **INTRODUCTION:**

#### **Scope**

To provide guidance and a framework for Officers involved in the investment of surplus funds controlled by Council that are not within the short to medium term required for financial commitments.

#### **Funds available for Investments**

Funds on hand less any funds committed to projects and or constrained funds (funds allocated for operational requirements)

### **OBJECTIVES:**

#### **Primary Objective**

To ensure protection of Councils investment funds while obtaining the most beneficial return for Council, with due recognition given to the risk profile of the institution being invested with. To ensure compliance with the legislative frameworks outlined above when investing Council funds.

#### **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, in accordance with operational requirements.

### **Authorised Institutions**

Only those institutions identified as suitable under the Category 1 Investment Powers conferred by SBFA S44 (1)(d) & listed on the APRA website as Authorised Deposit Taking Institutions (ADI's).

In addition the investment institution is rated in accordance to *(SBFAR) S8* and complies with the relevant investment rating as outlined in *(SBRAR) S10*.

### **Quotations on Investment**

With the exceptions of monies put with the QTC capital guaranteed cash fund, at least three (3) quotations shall be obtained from authorised 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. Council will also test any offers made by assessing the interest rate in the QTC fair value tool.

### **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. In diversifying Council's investment portfolio Council will insure funds are invested according to *(SBFAR) S10*. To minimise risk Council will manage investments so that there is an acceptable range of investment institutions used.

1. Not less than 60% of investment funds in AA rating or above or Queensland Treasury Corporation;
2. Up to 40% of investment funds within an institution within the A rating range; and/or
3. Up to 20% of investment funds within an institution with not less than BB rating

### **CEO's Responsibility**

Council has a number of duties when investing funds. These are outlined in S47 and S48 of the SBFA and S8 & S10 of the SBFAR.

Council must use its best efforts to invest its funds;

- a) At the most advantageous (risk adjusted) 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.