

Policy Number:	FNC7
Policy Type:	Finance
Policy Name:	Investment Policy
Policy Owner:	Chief Executive Officer
Authority:	Shire of Nannup

POLICY

Definition

The Council defines its treasury management activities as the management of the Council's investments and cash flows, 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.

Objectives

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation. Priority for investment decisions will be based on security and liquidity.

Legislative Requirements

All investments are to be made in accordance with:

- Local Government Act 1995 – Section 6.14
- The Trustees Amendment Act 1962 –, re: Part III Investments (as amended 1997)
- LG Financial Management Regulations (19, 28 and 49)
- Australian Accounting Standards

Management and Decision Making

The Chief Executive Officer, shall be responsible for the management of the Council's funds and for reporting to the Council on these affairs.

All executive decisions on borrowing, investment or financing shall be delegated to the Chief Executive Officer and the CEO may delegate the exercise of these powers to the:

- Manager Corporate Services
- Or any other employee of the Shire through instrument(s) of delegation.

Approved Organisations for Investment

Surplus funds may be invested in the following institutions:

- (a) The Council's account holding bank
- (b) authorized deposit taking institutions and the Western Australian Treasury Corporation.

All investments must be in Australian currency.

Funds must be invested in the following financial instruments:

- authorized deposit taking institutions and the Western Australian Treasury Corporation for a term not exceeding 12 months
- bonds that are guaranteed by the Commonwealth Government or a State or Territory for a term not exceeding three years

Where investments of greater duration than 12 months are desired, Council officers are to obtain independent financial advice from a Certified Financial Planner with regard to specific investment selection.

The maximum amount that may be invested with any one institution is \$4 million for deposits requiring less than 24 hours notice of withdrawal and \$2 million for all other deposits.

The Chief Executive Officer can authorise a transaction which exceeds the maximum investment limit with any one institution and must record the reason for any departure from the policy and report this to Council. In such cases the appropriate authorising signature should be recorded in a central register.

Related Policies:	
Related Procedures/Documents:	
Delegated Level:	Chief Executive Officer, Manager Corporate Services
Adopted:	OM 26 April 2012
Reviewed:	OM 22 August 2013