

Responsible Department:	Corporate Services
Responsible Business Unit:	Deputy Chief Executive Officer
Date of Amendment:	18 March 2026
Council Resolution:	210326

1. OBJECTIVE

The objective of this Policy is to set out Council's position, and to provide guidance when investing Shire of Chittering's (the Shire's) funds with consideration of risk and the most favourable rate of interest available to it at the time, for that investment type, while ensuring that its liquidity requirements are being met.

2. SCOPE

This policy applies to all employees involved in the investment and management of all funds held by the Shire, including operating accounts, investment accounts and funds managed under Trust.

3. DEFINITIONS

Authorised Institutions means an authorised deposit-taking institution as defined in the *Banking Act 1959* (Commonwealth) s5; or the Western Australian Treasury Corporation established by the *Western Australian Treasury Corporation Act 1986*.

4. POLICY STATEMENT

The Shire will apply the following principles to all investments made in accordance with s6.14 of the *Local Government Act 1995*.

4.1. Prudent Person Standard

Investments will be managed with the care, diligence, and skill that a prudent person would exercise. The Shire will manage the investment portfolios to safeguard the portfolios and not for speculative purposes.

4.2. Ethics and Conflicts of Interest

Employees shall refrain from personal activities that would conflict with the proper execution and management of the Shire investment portfolio. Employees will disclose any conflict of interest to the Chief Executive Officer (CEO).

4.3. Approved Investments

Investments may only be made with authorised institutions.

Authorised Investments shall be limited to:

- Fixed and floating rate interest bearing deposits with a term to maturity of 12 months or less, with authorised institutions.
- State and Commonwealth Government Bonds with a term to maturity of 3 years or less.
- Specific securities approved by Council.

4.4. Prohibited Investments

This policy prohibits investments in foreign currency and the use of leveraged funds for the purpose of investing.

4.5. Risk Management Guidelines

When exercising the power of investment, the following are to be given consideration:

- Forward cash flow requirements to ensure investment return.
- The costs (including commissions, fees, charges and duties payable) of making the proposed investment.

4.6. Reporting

A report on the investments will be included on the monthly Bank Reconciliation presented to Council, detailing which institution the investment is lodged with, the interest rate and the date of maturity.

Documentary evidence must be held for each investment and details thereof maintained in an Investment Register.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on Council's behalf as at 30 June each year and reconciled to the Investment Register.

5. ROLES AND RESPONSIBILITIES

The Deputy Chief Executive Officer is responsible for the implementation of this Policy.

6. COMPLIANCE

Legislation	<i>Local Government Act 1995</i> <i>Local Government (Financial Management) Regulations 1996</i> <i>Trustees Act 1962</i> <i>Banking Act 1959</i> <i>Western Australian Treasury Corporation Act 1986</i>
Industry	Australian Accounting Standards Board (AASB) Standards Department of Local Government, Industry Regulation and Safety – Financial Management Guidance
Organisational Documents	Long Term Financial Plan Annual Budget Policy 1.9 – Risk Management Delegations Register
Strategic Alignment	Communities Connected

7. ADMINISTRATION

Review Cycle	Every 3 years	Next Review Due	July 2026
Policy Owner	Deputy Chief Executive Officer		
Version	Decision Ref	Date	Change
1.0	Unknown	19/08/2009	Initial adoption
2.0	220812	15/08/2012	Amendment
3.0	160623	21/06/2023	Amendment
4.0	180425	16/04/2025	Review
5.0	210326	18/03/2026	Review