

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.

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.

POLICY STATEMENT

The Shire will apply the following principles to all investments made in accordance with section 6.14 of the *Local Government Act 1995*:

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.

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.

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.

Prohibited Investments

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

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.

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.

DEFINITIONS

Authorised Institution – means an authorised deposit-taking institution as defined in the *Banking Act 1959* (Commonwealth) section 5; or the Western Australian Treasury Corporation established by the *Western Australian Treasury Corporation Act 1986*.

ROLES AND RESPONSIBILITIES

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

COMPLIANCE

Legislation	<i>Local Government Act 1995</i> – Section 6.14, <i>Local Government (Financial Management) Regulations 1996</i> – Regulation 19, Regulation 28 and Regulation 49, <i>Trustees Act 1962</i> – Part III Investments
Industry	Australian Accounting Standards Board (AASB) Standards
Organisational	
Strategic Community Plan	

POLICY ADMINISTRATION

Review Cycle	Annual	Next Review Due	2026
Policy Owner	Deputy Chief Executive Officer		

Version	Decision Ref	Date	Change
1		19 August 2009	Adoption
2	N233107	21 June 2023	Amendment
3		2025	Review