

Authority Local Government (Financial Management) Regulations 1996 (as amended), Regulation 19

Strategic Plan Links: Governance Environment: Continue to enhance Council's local laws, policies and management processes.

Shire of Christmas Island Long Term Financial Plan 2013-2028

21. FI 6 – INVESTMENT

Objective

- To provide accountability when dealing with the investment of surplus Council funds
- To ensure surplus Council funds are managed to achieve the best financial result with the minimum risk while retaining access to funds for cash flow purposes

Policy

1. All funds surplus to immediate requirements will be invested in appropriate interest bearing accounts with the Westpac Banking Corporation, the Shire's banking institution, or another accredited Australian financial institution.
2. Surplus funds include those in municipal, reserve and trust funds, provided that such funds are kept separate in accordance with the Local Government (Financial Management) Regulations 1996.
3. The Interest bearing account chosen will either be a fixed term deposit account or an at call deposit account, depending on predicted cash flow requirements.
4. All interest earned from the investment of surplus funds will be returned to the fund from which the investment was made; namely the municipal, reserve or trust accounts. In other words, interest from reserve fund investment will be returned to the reserve fund; interest from trust accounts returned to the trust account; and interest earned from the municipal account returned to that account.
5. The Chief Executive Officer is delegated with the authority to decide on the investment of funds in each case.
6. The Chief Executive Officer is responsible for ensuring that proper documentation and other internal procedures are established and maintained that provide:
 - a. directions to be followed by employees to ensure effective control over investments
 - (i) Upon the expiry of a fixed term deposit, the Manager of Finance and Administration is to recommend to the Chief Executive Officer the

renewal and rollover of the fixed term deposit or its transfer to the operational account or part thereof as needed.

- (ii) The Manager of Finance is to report to the next available Council meeting the recommendation given to and action taken by the Chief Executive Officer.

b. the identification of:

- (i) the nature and location of all investments; and
- (ii) the transactions related to each investment in each type of fund

- 7. The Chief Executive Officer will report annually to Council on the municipal, reserve and trust account monies that have been invested and the interest returned on these investments.
- 8. Nothing in this policy detracts from the Shire's current holding in shares purchased when the Shire managed the Christmas Island Supermarket to take advantage of a purchasing arrangement for supermarket stock.

Key Performance Indicators	The extent to which interest on investments represents a good return for the funds so invested. Cash flow is not detrimentally impacted by the investment of surplus funds.
Keywords	Investments, surplus funds, interest, cash flow
Related Policies	Nil
Related Procedures/ Documents	Investment procedures
Delegation Level	CEO
First endorsed by Council	6 June 06
Resolution No.	
Review Date	30 June 2017
Adoption Conditions	Nil
Consultation	Nil required
