

YARRABAH ABORIGINAL SHIRE COUNCIL



Document Control and Version History

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1	20/04/2015	No 12	<i>J. Menzies</i>	01/05/2016	

ORIGIN AND AUTHORITY

Statutory Bodies Financial Arrangements Act 1982
Statutory Bodies Financial Arrangements Regulations 2007
Local Government Act 2009
Local Government Regulation 2012

Yarrabah Aboriginal Shire Council has authority to exercise Category 1 investment powers under Part 6 of the *Statutory Bodies Financial Arrangements Act 1982* and the *Statutory Bodies Financial Arrangements Regulations 2007*.

OBJECTIVE

Yarrabah Aboriginal Shire Council's overall investment objective is, at all times, to invest its funds at the most advantageous rate of interest available for the investment type, and in a way that Council considers most appropriate to the circumstances.

SCOPE

This policy applies to the investment of all surplus funds held by Yarrabah Aboriginal Shire Council.

For the purposes of this policy, investments are defined as arrangements that are required or undertaken for the purpose of producing income and/or capital gains.

DELEGATIONS

The Chief Executive Officer, or his or her sub-delegate, has been authorised to invest Yarrabah Aboriginal Shire Councils operating funds in investments consistent with legislation and this policy.

POLICY STATEMENT

The structure and features of Council's investments are to take account of the time horizons and risk parameters associated with available investment options and the liquidity and operational requirements of Council as per the guidelines below.

a) Quotations on Investments

No less than three quotations shall be obtained from authorised institutions when an investment is proposed.

Investment with the Queensland Treasury Corporation Capital Guaranteed Cash Fund does not constitute an investment decision requiring three quotes.

In assessing fair value of quotes obtained, the risk of the entity providing the return must be considered. The *Fair Value Calculator* tool, made available by Queensland Treasury Corporation can be used to assist in this evaluation.

b) Term to Maturity

The term to maturity of Council's investments may range from nil (i.e. funds available at call from time of establishment) to one year. At any time, investment decisions will reflect Council's future cash flow requirements and the prevailing outlook regarding interest rates.

c) Diversification and Credit Risk

When placing investments, consideration will be given to the relationship between credit rating and interest rate.

Council will manage investment risk through appropriate diversification.

d) Liquidity

Maintaining Council's ability to access funds in the short-term and meet day-to-day operational requirements will be a priority. Council will seek to minimise costs arising from failure to adequately manage liquidity by monitoring cash flow requirements, establishing and maintaining procedures for cash balancing and prudently choosing between investment options for surplus funds.

REVIEW

The effectiveness of this policy will be monitored by the Manager Corporate Services.

Reviews of this policy will be authorized by the Chief Executive Officer as he or she decides is necessary. They will be completed by the Manager Corporate Services.