

CARTERTON TOWN COUNCIL INVESTMENT POLICY

1. INTRODUCTION

1.1 This policy sets out the treasury management procedures for the monitoring of the cash flow and banking arrangements of Carterton Town Council.

1.2 This policy reflects the Council's Financial Regulations (Section 8 - Loans & Investments) and Section 17 (Risk Management)

1.3 The Local Government Act 2003 Section 12 provides the Power to Invest:

- (a) for any purpose relevant to its functions under any enactment, or
- (b) for the purposes of the prudent management of its financial affairs.

Section 15(1) of the Act requires a local authority to have regard to guidance issued by the Secretary of State.

1.4 The Council acknowledges its duty of care to the community and the prudent investment of public money.

2. OBJECTIVES

2.1 The Council's priorities are, in the following ranking order:

- the security of capital funds to minimise the risk of losses
- the liquidity of investments to meet cash flow needs of the Council
- maximising income within the framework of the national economic framework

2.2 The Council will aim to achieve a high rate of return on its investment commensurate with adequate safeguards of security and liquidity

3. INVESTMENTS

3.1 All investments and deposits will be with UK registered Banks or Building Societies.

3.2 All investments, deposits and interest will be in pounds sterling.

3.3 Investments for current expenditure will be on seven day draw-down deposit accounts with the District Council.

3.4 Amounts sufficient to fund the expenditure of the Council will be drawn down on a monthly basis and paid into the Council's current account.

3.5 Investments not required for current expenditure may be placed on longer term deposit of up to 3 years

4. MANAGEMENT

4.1 The Financial Officer with the approval of the Responsible financial Officer will determine the amounts that are used to maintain operational activity.

4.2 The Responsible Financial Officer will consult the Council on the investment of funds not required for current expenditure.

4.3 The Responsible Financial Officer will report to the Council annually the Council's investment portfolio.